

IN THE DISTRICT COURT OF SCOTTS BLUFF COUNTY, NEBRASKA

VINCE MARTINEZ and LUCY
MARTINEZ,

Husband and Wife,

Plaintiffs,

vs.

TRAVELER'S INSURANCE
COMPANY, a foreign corporation,

Defendant.

CASE NO: CI 017-_____

COMPLAINT
and **REQUEST FOR JURY TRIAL**

COME NOW the plaintiffs, and allege as follows:

1. Plaintiffs, VINCE MARTINEZ and LUCY MARTINEZ are Husband and Wife and at all times relevant herein were residents of Scotts Bluff County, Nebraska residing at 1402 Center Avenue, Mitchell;
2. Defendant Traveler's Insurance Company is a foreign corporation. Its address is One Tower Square, Hartford, Connecticut 06183;
3. Plaintiffs bring this action pursuant to their contract of insurance with the defendant which was entered into in the State of Nebraska, Scotts Bluff County, and also *Neb. Rev. Stat.* 44-6401 *et seq.* Defendants' insurance agent is J.G. Elliott Insurance Center. A true and accurate copy of the following are attached hereto and incorporated by reference:

Exhibit 1. J.G. Elliott Insurance letter dated December 28, 2015;

Exhibit 2. Common Policy Declaration's Page;

Exhibit 3. Contract of Insurance;

The insurance policy was recommended to the Martinez plaintiffs by the defendant's agent, Janet Frederick. Plaintiffs felt somewhat pressured to buy the policy. Ms. Frederick made various representations that "if anything happens to your business you will be covered". Ms. Frederick represented that the plaintiffs would be covered for all of their lost business, contents, the building, and

anything that could possibly happen would be covered under this policy. Ms. Frederick told the plaintiffs that all expenses even if the plaintiffs had to relocate would be covered. After due consideration plaintiffs obtained the policy from Ms. Frederick, based upon her recommendation;

4. The plaintiffs operated a liquor store in Mitchell, Scotts Bluff County, Nebraska known as Ice Box Beer and Wine at 2168 Broadway in Mitchell. The Martinez's liquor store was insured pursuant to the policy;
5. The physical premises of 2168 Broadway was inspected by the agent, Janet Frederick, during the term of the policy, prior to the crash set forth herein;
6. On or about August 20, 2016 a motor vehicle being driven by Joshua M. Bolzer was traveling eastbound on Highway 26. The Bolzer vehicle was occupied by several other individuals. The Bolzer vehicle was operating well in excess of one-hundred twenty miles per hour. The Bolzer vehicle left the paved surface of the Highway 26 roadway and crashed into the Martinez's Ice Box liquor store. The Bolzer vehicle traveled completely through the Ice Box liquor store destroying the liquor store and the Bolzer vehicle. The Bolzer vehicle then traveled across the street striking some farm machinery. One of the occupants of Mr. Bolzer's vehicle was unfortunately killed in the collision.
7. The Martinez's liquor store at the time was leased by the Martinez plaintiffs. The building, cooler, beer, alcohol, and wine, among other items were completely destroyed. The Martinez's were forced to temporarily relocate those items that could be salvaged. The Ice Box liquor store has been closed since August 20, 2016;
8. Martinez family gave two relocation estimates to Traveler's local agent, J.G. Elliott, Janet Frederick. At the time Ms. Frederick assured plaintiffs they had insurance coverage. Both estimates were given at Ms. Fredericks' request pursuant to the policy. The first estimate was in February 2016. The estimate was given to Ms. Frederick. After some time had passed and the claim was not paid, plaintiffs were told by Janet Frederick, agent, that "it was too much and to get a

lower one” and were told that Travelers would pay a lower estimate. The Martinez family got another estimate, which was lower, but would have caused the Martinez family to have had a less profitable business, in a less desirable area, and Traveler’s did not pay that damages estimate either. The result has left the Martinez family out of business.

9. The Martinez plaintiffs subsequently purchased the lot and destroyed building located at 2168 Broadway in Mitchell, Scotts Bluff County, Nebraska on or about July 7, 2017 A true and accurate copy of the deed is attached hereto as Exhibit 4;
10. On or about August 9, 2017 the Martinez plaintiffs sent a demand letter to the defendant to pay the plaintiff’s claim. A true and accurate copy of that letter is attached hereto as Exhibit 5.
11. On or about August 31, 2017 the Martinez plaintiffs received a response from Traveler’s Insurance that Traveler’s was denying coverage and refusing to pay the claim. A true and accurate copy is attached hereto as Exhibit 6;
12. The Martinez’s business was totally destroyed. The Martinez plaintiffs are without sufficient funds to pay the necessary costs associated with relocation. As a result the Martinez plaintiffs have been unable to operate their business;
13. As a result the Martinez plaintiffs have been unable to meet their monthly obligations including but not limited to lenders. One of the Martinez plaintiffs primary lenders to operate their business has filed a lawsuit against the Martinez plaintiffs for damages in excess of \$30,000.00;
14. Defendant Traveler’s actions herein are in bad faith;
15. The Martinez Plaintiffs have additional damages that have not been compensated for by defendant Traveler’s;
16. Defendant Traveler’s is acting in bad faith in regards to paying its claim to the plaintiffs herein;
17. The Martinez plaintiffs continue to be unable to rebuild their business, to restock their business, reestablish their business, relocated their business, and operate their business, and continue to suffer daily loss of business;

BREACH OF CONTRACT

18. Plaintiffs reaffirm the allegations contained in paragraphs 1 through 17; above;
19. On or about August 20, 2016 the Martinez plaintiffs had a contract of insurance with the defendant;
20. Defendant materially breached its contract of insurance with the plaintiff in 2016, and at various other times, when it refused to adequately compensate plaintiffs for their damages;
21. For all causes of action above, the plaintiffs furthermore request and/or damages against the defendant including but not limited to the following:
 - a. the wages, salary, profits, reasonable value of the working time, business the plaintiffs have lost.
 - b. The reasonable value of the (earning capacity, business or employment opportunities, lost recreational time, etc.) the plaintiffs have lost and are reasonably certain to lose in the future. This is an ongoing matter with ongoing financial consequences which will be established at the time of trial;
 - c. The reasonable value of obtaining substitute domestic services.
 - d. the reasonable monetary value of the physical pain and mental suffering the plaintiffs have experienced and are reasonably certain to experience in the future.
 - e. the reasonable monetary value of the inconvenience the plaintiffs have experienced and are reasonably certain to experience in the future.
 - f. the reasonable monetary value of any humiliation the plaintiffs have experienced and are reasonably certain to experience in the future.
 - g. The additional threats of collections and lawsuit(s) the plaintiffs have had to endure;
 - h. Plaintiffs working multiple jobs in order to pay to support themselves;
 - l. Such general and further damages as allowed by law and are just and equitable, costs of this action and as allowed by law;

- j. Attorney's fees;
 - k. Direct and consequential damages from the breach of contract including but not limited to: Damage for Premises Rented to you". The policy also covers on Page 8 J. Newly acquired or constructed property (ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations. The policy also covers on Page 3 extra expenses to avoid or minimize the suspension of business and to continue operations at the described premises or at replacement premises or temporary locations including relocation expenses and costs to equip and operate the replacement premises or temporary locations. The policy covers debris removal on page 5. The policy covers expediting expenses on page 6. The policy covers preservation of property on Page 11 and also covers temporary relocation of property on page 11. The policy also covers accounts receivable and other business expenses on pages 11 and 12. The policy also covers business income and extra expense on newly acquired premises on pages 14 and 15. The aforementioned policy provisions and numerous other policy provisions are breached by the defendant resulting in damages to the plaintiffs;
22. Plaintiffs are entitled to their damages to be determined at trial in excess of \$300,000.00 from Traveler's Insurance Company, attorneys' fees (pursuant to *Neb. Rev. Stat.* 44-359), costs, and such other and further relief as is just and proper;

TORT OF BAD FAITH

- 23. Plaintiffs reaffirm the allegations set forth in paragraphs 1 through 22 above;
- 24. Defendant lacked a reasonable basis for denying the benefits of the insurance policy with plaintiffs;
- 25. The defendant has knowledge, or reckless disregard of the lack of reasonable basis for denying the claim;
- 26. For all causes of action above, the plaintiffs furthermore request and/or damages

against the defendant including but not limited to the following:

- a. the wages, salary, profits, reasonable value of the working time, business the plaintiffs have lost.
- b. The reasonable value of the (earning capacity, business or employment opportunities, lost recreational time, etc.) the plaintiffs have lost and are reasonably certain to lose in the future. This is an ongoing matter with ongoing financial consequences which will be established at the time of trial;
- c. The reasonable value of obtaining substitute domestic services.
- d. the reasonable monetary value of the physical pain and mental suffering the plaintiffs have experienced and are reasonably certain to experience in the future.
- e. the reasonable monetary value of the inconvenience the plaintiffs have experienced and are reasonably certain to experience in the future.
- f. the reasonable monetary value of any humiliation the plaintiffs have experienced and are reasonably certain to experience in the future.
- g. The additional threats of collections and lawsuit(s) the plaintiffs have had to endure;
- h. Plaintiffs working multiple jobs in order to pay to support themselves;
- i. Such general and further damages as allowed by law and are just and equitable, costs of this action and as allowed by law;
- j. Attorney's fees;
- k. Direct and consequential damages from the breach of contract and tort of bad faith including but not limited to: Damage for Premises Rented to you". The policy also covers on Page 8 J. Newly acquired or constructed property (ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations. The policy also covers on Page 3 extra expenses to avoid or minimize the suspension of business and to continue operations at the described premises or at

replacement premises or temporary locations including relocation expenses and costs to equip and operate the replacement premises or temporary locations. The policy covers debris removal on page 5. The policy covers expediting expenses on page 6. The policy covers preservation of property on Page 11 and also covers temporary relocation of property on page 11. The policy also covers accounts receivable and other business expenses on pages 11 and 12. The policy also covers business income and extra expense on newly acquired premises on pages 14 and 15. The aforementioned policy provisions and numerous other policy provisions are breached by the defendant resulting in damages to the plaintiffs;

27. Plaintiffs are therefore entitled to judgment against the defendant for their damages, in excess of \$300,000.00 to be determined at trial, attorney's fees (pursuant to *Neb. Rev. Stat.* 44-359), costs of this action and for such other and further relief as is just and proper;

WHEREFORE, the plaintiffs pray that judgment be entered against Traveler's Insurance Company for special damages, pain and suffering, general damages as are allowed by law, plaintiffs' costs in prosecuting this action, loss of business, loss of consortium, pre and post judgment interest, attorneys' fees as allowed by law, and for such other and further relief as is equitable and proper. Plaintiffs request a jury trial on all matters.

DATED October 18, 2017

VINCE MARTINEZ, and LUCY MARTINEZ, Husband
and Wife, Plaintiffs

/s sterling t. huff

By _____

Sterling T. Huff, NSBA #21732
Attorney at Law, P.C., L.L.O.
20 East 16th St
Scottsbluff, NE 69361
308-635-4900
Fax: 308-635-4949
sterlinghufflaw@gmail.com (E-service)
sterlinghuff@hotmail.com (General communications)

FURTHER AFFIANT SAITH NOT.

Vince Martinez
VINCE MARTINEZ, PLAINTIFF

SUBSCRIBED AND SWORN to before me a notary public in and for the State of Colorado, County of Scotts Bluff on October 18th, 2017.

(Seal)



M. Flowers
Notary Public

FURTHER AFFIANT SAITH NOT.

Lucy Martinez
LUCY MARTINEZ, PLAINTIFF

SUBSCRIBED AND SWORN to before me a notary public in and for the State of Colorado, County of Scotts Bluff, on October 18th, 2017.

(Seal)



M. Flowers
Notary Public

jge J.G. Elliott Insurance Center
A Platte Valley Company www.jgelliott.com

December 28, 2015

Vincent & Lucy Martinez
DBA Ice Box Beer & Wine Liquor Store
1402 Center Avenue
Mitchell NE 69357

RE: Business Owners Policy/6806G72410A

Dear Vincent & Lucy:

Thank you for the opportunity to provide insurance coverage for your Business Owners Policy policy.

Your TRAVELERS policy, with the effective date of 12/17/2015 is enclosed. Please review the policy to be sure it is correct in every respect.

I will be routinely communicating with you regarding your account, but if you have a change, or need to submit a claim, please do not hesitate to contact me at (308) 635-2023. I will personally monitor any transactions for your policies. We are certain you will find this service to be an important benefit of partnering with our agency.

J.G. Elliott Insurance Center writes all lines of insurance: Home, Tenants, Farm, Business, Life and Health. We would be glad to discuss any of these other types of policies with you...just give us a call.

Again, thank you for your valued business. We certainly appreciate it!

Sincerely,



Janet A Frederick

jms
1111 E 20th Street
PO Box 1648
Scottsbluff, NE 69363-1648
308-635-2023 • FAX 308-632-7359
jgeco@jgelliott.com

302 West 21st Avenue
PO Box 100
Torrington, WY 82240
307-532-2147 • FAX 307-532-7486
jgemy@jgelliott.com

20 West Frontage Road
PO Box 188
Wheatland, WY 82201
307-322-4025 • FAX 307-322-4026
jgemy@jgelliott.com

TRAVELERS

One Tower Square, Hartford, Connecticut 06183

COMMON POLICY DECLARATIONS

STORE PAC

BUSINESS:LIQUOR

POLICY NO.: 680-6G72410A-15-42

ISSUE DATE: 12/17/2015

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:

VINCENT & LUCY MARTINEZ

AND AS PER IL T8 00

1402 CENTER AVENUE

MITCHELL NE 69357

2. POLICY PERIOD: From 12/17/2015 to 12/17/2016 12:01 A.M. Standard Time at your mailing address.**3. DESCRIPTION OF PREMISES:**

PREM.

LOC.

BLDG.

ADDRESS

NO.

NO.

OCCUPANCY

(same as Mailing Address unless specified otherwise)

001

001

LIQUOR STORE

1402 CENTER AVE

MITCHELL

NE 69357

4. COVERAGE PARTS AND SUPPLEMENTS FORMING PART OF THIS POLICY AND INSURING COMPANIES

COVERAGE PARTS and SUPPLEMENTS

INSURING COMPANY

Businessowners Coverage Part

ACJ

5. The COMPLETE POLICY consists of this declarations and all other declarations, and the forms and endorsements for which symbol numbers are attached on a separate listing.**6. SUPPLEMENTAL POLICIES:** Each of the following is a separate policy containing its complete provisions.

POLICY

POLICY NUMBER

INSURING COMPANY

DIRECT BILL

7. PREMIUM SUMMARY:

Provisional Premium

\$

1,032.00

Due at Inception

\$

Due at Each

\$

NAME AND ADDRESS OF AGENT OR BROKER

COUNTERSIGNED BY:

J G ELLIOTT COMPANY

HE309

PO BOX 1648

SCOTTSBLUFF

NE 69363-1648

IL TO 19 02 05 (Page 1 of 01)

Office: OMAHA NE

DOWN

Authorized Representative

DATE: 12/17/2015

DEC 28 2015

BUSINESSOWNERS PROPERTY COVERAGE

PREMISES LOCATION NO.: 001

BUILDING NO.: 001

COVERAGE		LIMIT OF INSURANCE	VALUATION	COINSURANCE	INFLATION GUARD
BUSINESS PERSONAL PROPERTY	\$	40,000	RC*	N/A	0.0%
*Replacement Cost					

COVERAGE EXTENSIONS:

Accounts Receivable	\$	25,000
Valuable Papers	\$	25,000

Other coverage extensions apply and may be changed by an endorsement. Please read the policy.



One Tower Square, Hartford, Connecticut 06183

BUSINESSOWNERS COVERAGE PART DECLARATIONS

STORE PAC

POLICY NO.: 680-6G72410A-15-42

ISSUE DATE: 12/17/2015

INSURING COMPANY:

TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD:

From 12-17-15 to 12-17-16 12:01 A.M. Standard Time at your mailing address.

FORM OF BUSINESS: INDIVIDUAL

COVERAGES AND LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "included" is shown.

COMMERCIAL GENERAL LIABILITY COVERAGE**OCCURRENCE FORM****LIMITS OF INSURANCE**

General Aggregate (except Products-Completed Operations Limit)	\$	1,000,000
Products-completed Operations Aggregate Limit	\$	1,000,000
Personal and Advertising Injury Limit	\$	500,000
Each Occurrence Limit	\$	500,000
Damage to Premises Rented to You	\$	300,000
Medical Payments Limit (any one person)	\$	5,000

BUSINESSOWNERS PROPERTY COVERAGE

DEDUCTIBLE AMOUNT: Businessowners Property Coverage: \$ 1,000 per occurrence.
 Building Glass: \$ 1,000 per occurrence.

BUSINESS INCOME/EXTRA EXPENSE LIMIT: Actual loss for 12 consecutive months

Period of Restoration-Time Period: Immediately

ADDITIONAL COVERAGE:

Fine Arts: \$ 25,000

Other additional coverages apply and may be changed by an endorsement. Please read the policy.

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SPECIAL PROVISIONS:

**COMMERCIAL GENERAL LIABILITY COVERAGE
 IS SUBJECT TO A GENERAL AGGREGATE LIMIT**

MP TO 01 02 05 (Page 1 of 2)

POLICY NUMBER: 680-6G72410A-15-42

EFFECTIVE DATE: 12/17/2015

ISSUE DATE: 12/17/2015

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS

IL T0 19 02 05	COMMON POLICY DECLARATIONS
MP T0 01 02 05	BUSINESSOWNERS COVERAGE PART DECLARATIONS
IL T8 01 01 01	FORMS ENDORSEMENTS AND SCHEDULE NUMBERS
IL T3 15 09 07	COMMON POLICY CONDITIONS

BUSINESSOWNERS

CP 12 18 06 95	LOSS PAYABLE PROVISIONS
MP T1 30 02 05	TABLE OF CONTENTS - BUSINESSOWNERS COVERAGE PART - DELUXE PLAN
MP T1 02 02 05	BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM
MP T3 25 01 15	FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
MP T3 50 11 06	EQUIPMENT BREAKDOWN - SERVICE INTERRUPTION LIMITATION
MP T3 56 02 08	AMENDATORY PROVISIONS - GREEN BUILDING AND BUSINESS PERSONAL PROP COV ENHANCEMENTS
MP T9 70 03 06	POWER PAC ENDORSEMENT
CP 01 24 07 00	NEBRASKA CHANGES

COMMERCIAL GENERAL LIABILITY

CG T0 34 11 03	TABLE OF CONTENTS - COMMERCIAL GENERAL LIABILITY COVERAGE FORM CG 00 01 10 01
CG 00 01 10 01	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG D2 55 11 03	AMENDMENT OF COVERAGE - POLLUTION
CG D3 09 11 03	AMENDATORY ENDR- PRODUCTS-COMPLETED OPERATIONS HAZARD
CG D4 71 01 15	AMENDMENT OF COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY
CG D0 37 04 05	OTHER INSURANCE - ADDITIONAL INSURED
CG D1 86 11 03	XTEND ENDORSEMENT
CG D2 03 12 97	AMEND - NON CUMULATION OF EACH OCC
CG D4 13 04 08	AMEND COVG - POLLUTION-EQUIP EXCEPTION
MP T1 25 11 03	HIRED AUTO AND NON-OWNED AUTO LIABILITY
CG D2 56 11 03	AMENDMENT OF COVERAGE - PROPERTY DAMAGE
CG D2 88 11 03	EMPLOYMENT-RELATED PRACTICES EXCLUSION
CG D3 26 10 11	EXCLUSION - UNSOLICITED COMMUNICATION
CG D3 56 05 14	MOBILE EQUIPMENT REDEFINED - EXCLUSION OF VEHICLES SUBJECT TO MOTOR VEHICLE LAWS
CG D4 21 07 08	AMEND CONTRAL LIAB EXCL - EXC TO NAMED INS
CG D6 18 10 11	EXCLUSION - VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS
CG D7 46 01 15	EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION
CG D1 42 01 99	EXCLUSION - DISCRIMINATION
CG D2 26 06 99	EXCLUSION - TOBACCO

POLICY NUMBER: 680-6G72410A-15-42

EFFECTIVE DATE: 12/17/2015

ISSUE DATE: 12/17/2015

COMMERCIAL GENERAL LIABILITY (CONTINUED)

CG D2 42 01 02 EXCLUSION - WAR
CG T4 78 02 90 EXCLUSION - ASBESTOS

CYBERFIRST ESSENTIALS LIABILITY ENDORSEMENTS

PR T0 22 02 12 CYBERFIRST ESSENTIALS COVERAGE PART DECLARATIONS
PR T1 13 02 12 CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM
PR T1 14 02 12 CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY
COVERAGE FORM
PR T5 21 03 15 COVG FOR FINANCIAL INTEREST IN FOREIGN INSURED
ORGANIZATIONS-CYBERFIRST ESSENTIALS
PR T4 97 03 15 BREACH ESSENTIALS ENDORSEMENT
PR T5 14 01 15 AMEND OF AI AND PI DEFINITIONS - INFORMATION SECURITY
LIABILITY
PR F3 64 02 12 NEBRASKA MANDATORY ENDORSEMENT

EMPLOYMENT PRACTICES LIABILITY

PR T0 07 04 09 EMPLOYMENT PRACTICES LIABILITY DECLARATIONS
PR T1 10 04 09 EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
PR T5 23 03 15 COVG FOR FINANCIAL INTEREST IN FOREIGN
ORGANIZATIONS-EMPLOYMENT PRACTICES LIABILITY

MULTIPLE SUBLINE ENDORSEMENTS

CG T3 33 11 03 LIMITATION WHEN TWO OR MORE POLICIES APPLY

INTERLINE ENDORSEMENTS

IL T3 68 01 15 FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE
IL T4 12 03 15 AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 15 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IL T3 82 05 13 EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
IL T8 00 12 15 GENERAL PURPOSE ENDORSEMENT
IL 00 21 05 02 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD
FORM)
IL 01 22 05 06 NEBRASKA CHANGES - ACTUAL CASH VALUE
IL 01 64 07 02 NEBRASKA CHANGES - APPRAISAL
IL 02 59 09 07 NEBRASKA CHANGES - CANCELLATION AND NONRENEWAL
IL T3 25 02 93 NEBRASKA CHANGES - APPRAISAL

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy or any Coverage Part by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.
5. If this policy or any Coverage Part is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us as part of this policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. INSPECTIONS AND SURVEYS

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.



2. We compute all premiums for this policy in accordance with our rules, rates, rating plans, premiums and minimum premiums. The premium shown in the Declarations was computed based on rates and rules in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

G. BUSINESSOWNERS COVERAGE PART - REFERENCES TO FORMS AND ENDORSEMENTS

In some instances, the Common Policy Declarations may list endorsements included in the Businessowners Coverage Part that reference:

1. The Commercial Property Coverage Part;
2. The Commercial General Liability or Liquor Liability Coverage Part; or

3. Standard Property forms including, but not limited to, the following:

- a. Building and Personal Property Coverage Form;
- b. Business Income Coverage Form;
- c. Commercial Property Conditions;
- d. Condominium Association Coverage Form;
- e. Condominium Commercial Unit-Owners Coverage Form;
- f. Causes of Loss Basic Form;
- g. Causes of Loss Special Form; and
- h. Causes of Loss Earthquake Form.

Endorsements referencing the Commercial Property Coverage Part or the Standard Property Forms referenced above apply to the Businessowners Property Coverage Special Form in the same manner as they apply to the forms they reference.

Endorsements referencing the Commercial General Liability Coverage Part apply to the Commercial General Liability Coverage Form (included in the Businessowners Coverage Part) in the same manner as they apply to the form they reference.

H. INSURANCE UNDER TWO OR MORE COVERAGE PARTS

If two or more of this policy's Coverage Parts apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.


This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

The Travelers Indemnity Company (IND)
The Phoenix Insurance Company (PHX)
The Charter Oak Fire Insurance Company (COF)
Travelers Property Casualty Company of America (TIL)
The Travelers Indemnity Company of Connecticut (TCT)
The Travelers Indemnity Company of America (TIA)
Travelers Casualty Insurance Company of America (ACJ)


Secretary


President

POLICY NUMBER: 680-6G72410A-15-42

COMMERCIAL PROPERTY
ISSUE DATE: 12/17/2015**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
 BUILDERS' RISK COVERAGE FORM
 CONDOMINIUM ASSOCIATION COVERAGE FORM
 CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
 STANDARD PROPERTY POLICY

SCHEDULE

**Prem.
No.**
001

**Bldg.
No.**
001

**Description
of Property**
COOLERS

**Loss Payee
(Name & Address)**
NATIONAL FUNDING
AMANDA FOUST/NICOLE MILLER
9820 TOWNE CENTRE DR

SAN DIEGO

CA 92121

**Loss
Payable**

**Lenders
Loss Payable**

**Contract
of Sale**

Provisions Applicable:**X**

- A.** When this endorsement is attached to the STANDARD PROPERTY POLICY **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

The following is added to the LOSS PAYMENT Loss Condition, as indicated in the Declarations or by an "X" in the Schedule:

B. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property
- c. If we deny your claim because of your acts or because you have failed to comply with terms of the Coverage Part the Loss Payee will still have the right to receive loss payment if the Loss Payee:

COMMERCIAL PROPERTY

- (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

D. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interest may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

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BUSINESSOWNERS COVERAGE PART DELUXE PLAN

The following indicates the contents of the principal forms which may be attached to your policy. It contains no reference to the Declarations or Endorsements which also may be attached.

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BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph G – PROPERTY DEFINITIONS.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this Coverage Form, means the type of property described in this Paragraph A.1., and limited in Paragraph A.2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Building, meaning the building or structure described in the Declarations, including:

- (1) Completed additions;
- (2) Fences;
- (3) Fixtures, including outdoor fixtures;
- (4) Retaining walls, whether or not attached;
- (5) Permanently attached:
 - (a) Machinery; and
 - (b) Equipment;
- (6) Outdoor swimming pools;
- (7) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Lobby and hallway furnishings;
 - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(f) Lawn maintenance and snow removal equipment; and

(g) Alarm systems; and

(8) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure; and

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the building or structure.

b. Business Personal Property located in or on the buildings described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

- (1) Property owned by you and used in your business;
- (2) Property of others that is in your care, custody or control;
- (3) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you rent, lease or occupy but do not own; and
 - (b) You acquired or made at your expense but are not permitted to remove; and
- (4) "Money" and "Securities".

2. Property Not Covered

Unless the following is added by endorsement to this Coverage Form, Covered Property does not include:



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- a. Aircraft;
- b. Automobiles held for sale;
- c. Vehicles or self-propelled machines that are:
 - (1) Licensed for use on public roads; or
 - (2) Operated principally away from the described premises;
 This paragraph does not apply to:
 - (1) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - (2) Vehicles or self-propelled machines, other than autos, you hold for sale; or
 - (3) Trailers or semi-trailers, except as provided in the Non-Owned Detached Trailers Coverage Extension.
- d. Dams or dikes;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavating, grading, backfilling or filling (except those costs made necessary due to repair of buildings insured under this Coverage Form from a Covered Cause of Loss), reclaiming or restoring land or water;
- g. Water or land whether in its natural state or otherwise (including land on which the property is located), land improvements, growing crops or standing timber;
- h. Outdoor trees, shrubs, plants and lawns, other than "stock" except as provided in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.
- i. The following property while outside of the buildings:
 - (1) Bridges, walks, roadways, patios or other paved surfaces; or
 - (2) Outdoor radio or television antennas, (including satellite dishes) and including their lead-in wiring, masts or towers;
 except as provided in the Outdoor Property Coverage Extension;
- j. Watercraft (including motors, equipment and accessories) while afloat;
- k. Accounts and bills, except as provided in the Accounts Receivable Coverage Extension;

- l. "Valuable Papers and Records", except as provided in the Valuable Papers and Records Coverage Extension;
- m. Property that is covered under another Coverage Form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- n. "Fine Arts" except as provided in the Fine Arts Additional Coverage;
- o. Bullion, gold, silver, platinum and other precious alloys or metals, except if they are used in your "operations" (theft limitation applies);
- p. "Electronic Data Processing Equipment" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension;
- q. "Electronic Data Processing Data and Media" (not including "stock") except as provided in the Electronic Data Processing Coverage Extension or in the Accounts Receivable Coverage Extension; or
- r. Outdoor signs, except as provided in the Signs Coverage Extension.

3. Business Income and Extra Expense

Business Income and Extra Expense is provided at the premises described in the Declarations when the Declarations show that you have coverage for Business Income and Extra Expense.

a. Business Income**(1) Business Income means:**

- (a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred, including:

- (i) "Rental Value"; and
- (ii) "Maintenance Fees", if you are a condominium association; and

- (b) Continuing normal operating expenses incurred, including payroll.

- (2) We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be

BUSINESSOWNERS

caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

- (3) With respect to the requirements set forth in Paragraph (2) above, if you rent, lease or occupy only part of the site at which the described premises are located, the described premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

b. Extra Expense

- (1) Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss.
- (2) We will pay Extra Expense (other than the expense to repair or replace property) to:
- (a) Avoid or minimize the "suspension" of business and to continue "operations" at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement premises or temporary locations; or
 - (b) Minimize the "suspension" of business if you cannot continue "operations".
- (3) We will also pay Extra Expense (including Expediting Expenses) to repair or replace the property, but only

to the extent it reduces the amount of loss that otherwise would have been payable under Paragraph a. Business Income, above.

c. Extended Business Income

If the necessary "suspension" of your "operations" produces a Business Income loss payable under Paragraph a. Business Income above, we will also pay for the actual loss of Business Income you sustain during the period that:

- (1) Begins on the date property is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (2) Ends on the earlier of:
 - (a) The date you could restore your "operations" with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage occurred; or
 - (b) Sixty consecutive days after the date determined in Paragraph (1) above.

However, this extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

d. If the Declarations show for Business Income and Extra Expense:

- (1) Actual loss for 12 consecutive months, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage; or
- (2) Actual loss up to 12 consecutive months subject to a maximum dollar limit, then we will pay for loss of Business Income and Extra Expense that occurs within 12 consecutive months following the date of direct physical loss or damage, subject to the limit shown in any one occurrence.

4. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:



BUSINESSOWNERS

- a. Limited in Paragraph A.5., Limitations; or
- b. Excluded in Paragraph B., Exclusions.

5. Limitations

- a. We will not pay for loss of or damage to:

(1) The "interior of any building or structure" or to personal property in the building or structure, caused by rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

(2) Steam boilers, steam pipes, steam engines, or steam turbines, caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

(3) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than explosion.

- b. We will not pay for loss of or damage to the following types of property unless caused by any of the "specified causes of loss" or building glass breakage:

(1) Live animals, birds or fish, and then only if they are killed or their destruction is made necessary.

(2) Fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken. This limitation does not apply to:

(a) Glass that is part of the exterior or interior of a building or structure;

(b) Containers of property held for sale; or

(c) Photographic or scientific instrument lenses.

- c. For loss or damage by "theft", the most we will pay in any one occurrence for the following types of property is:

(1) \$2,500 for all furs, fur garments and garments trimmed with fur.

(2) \$5,000 for all jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$500 or less per item.

(3) \$2,500 for all patterns, dies, molds and forms.

- d. We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss, if the building where loss or damage occurs has been "vacant" for more than 60 consecutive days before that loss or damage occurs:

(1) Vandalism;

(2) Sprinkler Leakage, unless you have protected the system against freezing;

(3) Building glass breakage;

(4) Discharge or leakage of water;

(5) "Theft"; or

(6) Attempted "theft".

With respect to Covered Causes of Loss other than those listed in Paragraphs (1) through (6) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

- e. Coverage for Business Income and Extra Expense does not apply to any loss or increase in loss caused by direct physical loss of or damage to "Electronic Data Processing Data and Media", except as provided in the Interruption of Computer Operations Coverage Extension.

6. Additional Coverages

Unless otherwise stated, payments made under the following Additional Coverages are in addition to the applicable Limits of Insurance.

BUSINESSOWNERS

a. Arson and Theft Reward

- (1) We will pay for reasonable expenses you incur for rewards that lead to:
 - (a) An arson conviction in connection with a covered fire or explosion loss, or
 - (b) A "theft" conviction in connection with a covered "theft" loss.
- (2) The most we will pay under this Additional Coverage in connection with a particular loss is \$5,000.

b. Claim Data Expense

- (1) We will pay the reasonable expenses you incur in preparing claim data when we require such data to show the extent of loss. This includes the cost of taking inventories, making appraisals, preparing income statements, and preparing other documentation.
- (2) Under this Additional Coverage, we will not pay for:
 - (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
 - (b) Any costs in connection with Paragraph E.2., Appraisal; or
 - (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.
- (3) The most we will pay for preparation of claim data under this Additional Coverage in any one occurrence is \$5,000 regardless of the number of premises involved.

c. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension, caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writ-

ing within 180 days of the date of direct physical loss or damage.

- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Except as provided in Paragraph (4) below, payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus
 - (b) The deductible in this Coverage Form applicable to that loss or damage.

- (4) When the debris removal expense exceeds the 25% limitation in Paragraph (3) above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to an additional \$25,000 for debris removal expense in any one occurrence, at each described premises.

d. Employee Dishonesty

- (1) We will pay for loss of or damage to Covered Property resulting directly from "employee dishonesty".

We will pay for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates year to year or period to period.

- (2) Paragraphs B.2.h. and B.2.o. do not apply to this Additional Coverage.
- (3) We will not pay for loss resulting from the dishonest acts of any "employee" if coverage for that "employee" was either cancelled or excluded from any previous insurance policy of yours



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providing "employee dishonesty" coverage.

- (4) This Additional Coverage is cancelled as to any "employee" immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee",
of any fraudulent dishonest act committed by that "employee" before or after being employed by you.
- (5) We will pay for covered loss or damage only if discovered no later than one year from the end of the Policy Period.
- (6) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000.
- (7) With respect to this Additional Coverage, occurrence means all loss or damage caused by or involving the same "employee(s)" whether the result of a single act or series of acts.
- (8) If, during the period of any prior "Employee Dishonesty" insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage, subject to the following:
 - (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this insurance had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance provided under Paragraph (8) above is part of, not in addition to the Limit of Insurance described in Paragraph (6) above and is limited to the lesser of the amount recoverable under:

(a) This Additional Coverage, as of its effective date; or

(b) The prior "Employee Dishonesty" insurance, had it remained in effect.

e. Expediting Expenses

- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, expedite permanent repairs, or expedite permanent replacement, at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.
- (2) With respect to this Additional Coverage, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.
- (3) The most we will pay under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.

f. Fine Arts

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to "fine arts" which are owned by:
 - (a) You; or
 - (b) Others and in your care, custody, or control;
caused by or resulting from a Covered Cause of Loss, including while on exhibit, anywhere within the Coverage Territory.
- (2) The breakage limitation under Paragraph A.5.b.(2) does not apply to this Additional Coverage.

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(3) The following exclusions apply to this Additional Coverage:

- (a)** We will not pay for loss or damage caused by or resulting from wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration, insects, birds, rodents or other animals;
- (b)** We will not pay for loss or damage caused by or resulting from dampness or dryness of atmosphere, or changes in or extremes of temperature;
- (c)** We will not pay for loss or damage caused by or resulting from any repairing, restoration or re-touching process;
- (d)** We will not pay for loss or damage caused by or resulting from faulty packing;
- (e)** Paragraph **B.1.b.** Earth Movement;
- (f)** Paragraph **B.1.c.** Governmental Action;
- (g)** Paragraph **B.1.d.** Nuclear Hazard;
- (h)** Paragraph **B.1.f.** War and Military Action;
- (i)** Paragraph **B.1.g.** Water;
- (j)** Paragraph **B.1.h.** Neglect; and
- (k)** Paragraph **B.2.g.**

No other exclusions in Paragraph **B.** Exclusions apply to this Additional Coverage. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Additional Coverage.

- (4)** The most we pay for loss or damage under this Additional Coverage in any one occurrence is \$25,000, or the amount shown in the Declarations for "fine arts", whichever is greater. This limit applies regardless of the number of premises involved.

g. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$25,000 in any one occurrence for your

liability for fire department service charges:

- (1)** Assumed by contract or agreement prior to loss; or
- (2)** Required by local ordinance.

h. Fire Protective Equipment Discharge

- (1)** If fire protective equipment discharges accidentally or to control a Covered Cause of Loss we will pay your cost to:
 - (a)** Refill or recharge the system with the extinguishing agents that were discharged; and
 - (b)** Replace or repair faulty valves or controls which caused the discharge.
- (2)** The most we will pay under this Additional Coverage in any one occurrence is \$10,000, regardless of the number of premises involved.

i. Forgery or Alteration

- (1)** We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in money that are made or drawn by or drawn upon you, or made or drawn by one acting as an agent or purported to have been so made or drawn.

We will consider signatures that are produced or reproduced electronically, mechanically or by facsimile the same as handwritten signatures.

We will pay for loss that you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- (2)** We will not pay for loss resulting from any dishonest or criminal acts committed by you or any of your partners, "employees", "members", "managers", officers, directors or trustees whether acting alone or in collusion with other persons.



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- (3) We will pay for covered loss discovered no later than one year from the end of the Policy Period.
- (4) The most we will pay for loss under this Additional Coverage in any one occurrence is \$25,000, regardless of the number of premises involved.
- (5) With respect to this Additional Coverage, occurrence means all loss caused by any person, or in which that person is concerned or implicated, either resulting from a single act or any number of such acts, whether the loss involves one or more instruments.
- (6) If, during the period of any prior Forgery or Alteration insurance, you (or any predecessor in interest) sustained loss or damage that you could have recovered under that insurance, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage provided:
 - (a) This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- (7) The insurance provided under Paragraph (6) above is part of, and not in addition to the limit described in Paragraph (4) above and is limited to the lesser of the amount recoverable under:
 - (a) This Additional Coverage up to the applicable Limit of Insurance under this Coverage Form, as of its effective date; or
 - (b) The prior Forgery or Alteration insurance, had it remained in effect.
- (8) If you are sued for refusing to pay any covered instrument described in Paragraph (1) above on the basis that it has been forged or altered, and you have our written consent to de-

fend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount we will pay for these legal expenses will be part of and not in addition to the limit described in Paragraph (4) above.

j. Newly Acquired or Constructed Property

(1) Buildings

- (a) We will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
 - (i) Your:
 - a) New buildings while being built on a premises shown in the Declarations;
 - b) New buildings while being built on newly acquired premises; and
 - c) Materials, equipment, supplies and temporary structures used in connection with such buildings while they are being built; or
 - (ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations.
- (b) The most we will pay for loss of or damage to newly constructed buildings or newly acquired buildings under this Additional Coverage in any one occurrence is \$500,000 at each premises.

(2) Business Personal Property

- (a) When a Limit of Insurance is shown in the Declarations for Business Personal Property at any described premises, we will pay for direct physical loss of or damage to the following property caused by or resulting from a Covered Cause of Loss:
 - (i) Business Personal Property, including such property that you newly acquire, at a build-

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ing you acquire by purchase or lease at any premises, including those premises shown in the Declarations; and

- (ii) Business Personal Property that you newly acquire at a described premises.
- (b) The most we will pay for loss of or damage to Business Personal Property under this Additional Coverage in any one occurrence is \$250,000 at each premises.

(3) Period Of Coverage

- (a) With respect to insurance under this Additional Coverage, coverage will end when any of the following first occurs:
 - (i) This policy expires;
 - (ii) 180 days expire after you acquire the property or begin to construct the property;
 - (iii) You report values to us; or
 - (iv) The property is more specifically insured.
- (b) We will charge you additional premium for values reported to us from the date construction begins or you acquire the property.

k. Ordinance or Law

- (1) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:
 - (a) Loss in value of the undamaged portion of the building as a consequence of enforcement of the minimum requirements of any ordinance or law that requires the demolition of undamaged parts of the same building;
 - (b) Demolition cost, meaning the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of the minimum requirements of any ordinance or law that required demolition of such undamaged property; and
 - (c) The increased cost of construction, meaning the increased cost to repair, rebuild or construct the

property as a consequence of enforcement of the minimum requirements of any ordinance or law. This increased cost of construction coverage applies only if:

- (i) The building is insured for replacement cost;
 - (ii) The building is repaired, rebuilt or reconstructed; and
 - (iii) The repaired, rebuilt or reconstructed building is intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.
- (2) The ordinance or law referred to in this Additional Coverage is an ordinance or Law that:
 - (a) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - (b) Is in force at the time of the loss.
 - (3) We will not pay under this Additional Coverage for:
 - (a) Loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with; or
 - (b) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
 - (4) Paragraph B.1.a. does not apply to this Additional Coverage.
 - (5) Subject to the limit described in Paragraph (6) below:
 - (a) The insurance provided under this Additional Coverage for loss in value to the undamaged portion of the building is limited as follows:



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- (i) If Replacement Cost Coverage applies and the building is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - a) The amount you actually spend to repair, rebuild or reconstruct the undamaged portion of the building; or
 - b) The amount it would cost to restore the undamaged portion of the building on the same premises and to the same height, floor area, style and comparable quality of the original undamaged portion of the building; or
 - (ii) If Replacement Cost Coverage applies and the building is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the actual cash value of the undamaged portion of the building at the time of loss.
 - (b) We will not pay more for demolition costs than the amount you actually spend to demolish and clear the site of the described premises.
 - (c) The insurance provided under this Additional Coverage for increased cost of construction is limited as follows:
 - (i) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay is the increased cost of construction at the same premises; or
 - (ii) If the ordinance or law requires relocation to another premises, the most we will pay is the increased cost of construction at the new premises.
 - (6) The most we will pay for loss under this Additional Coverage for the total of all coverages described in Paragraph (1) above in any one occurrence is \$25,000 at each described premises.
- l. Outdoor Trees, Shrubs, Plants and Lawns**
- (1) We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants (other than "stock" of trees, shrubs or plants) and lawns located at the described premises caused by or resulting from a Covered Cause of Loss.
 - (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$3,000 at each described premises.
 - (3) Debris removal, because of covered loss or damage to outdoor trees, shrubs, plants and lawns, is included within the limits described in Paragraph (2) above.
- m. Pollutant Cleanup and Removal**
- (1) We will pay your necessary and reasonable expense to extract "pollutants" from land or water at the described premises, if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a "specified cause of loss" which occurs:
 - (a) At the described premises;
 - (b) To Covered Property; and
 - (c) During the policy period.
 - (2) The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the "specified cause of loss" occurs.
 - (3) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
 - (4) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising

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out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy. This amount applies regardless of the number of premises involved.

n. Preservation of Property

(1) If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for:

(a) Any direct physical loss of or damage to such property while:

(i) Being moved; or

(ii) Temporarily stored at another location only if the loss or damage occurs within 90 days after the property is first moved; and

(b) The costs incurred to:

(i) Remove such property from the described premises; and

(ii) Return such property to the described premises.

(2) Coverage under this Additional Coverage will end when any of the following first occurs:

(a) When the policy is amended to provide insurance at the new location;

(b) The property is returned to the original described premises;

(c) 90 days expire after the property is first moved; or

(d) This policy expires.

(3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

o. Temporary Relocation of Property

(1) If Covered Property is removed from the described premises and stored temporarily at a location you own, lease or operate while the described premises is being renovated or re-modeled, we will pay for direct physical loss of or damage to that stored property:

(a) Caused by or resulting from a Covered Cause of Loss;

(b) Up to \$50,000 at each temporary location in any one occurrence; and

(c) During the storage period of up to 90 consecutive days but not beyond expiration of this policy.

(2) This Additional Coverage does not apply if the stored property is more specifically insured.

p. Water Damage, Other Liquids, Powder or Molten Material Damage

(1) If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

(2) We will not pay the cost to repair any defect to a system or appliance from which the water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

(a) Results in discharge of any substance from an automatic fire protection system; or

(b) Is directly caused by freezing.

(3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

7. Coverage Extensions

Unless otherwise stated, payments made under the following Coverage Extensions are subject to and not in addition to the applicable Limits of Insurance.

a. Accounts Receivable

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss, as described in Paragraph (2) below, due to direct physical loss of or damage to your



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records of accounts receivable (including those on electronic data processing media) caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.

(2) We will pay for:

- (a)** All amounts due from your customers that you are unable to collect;
- (b)** Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c)** Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (d)** Other reasonable expenses that you incur to re-establish your records of accounts receivable.

(3) The following exclusions apply to this Coverage Extension:

- (a)** We will not pay for loss caused by or resulting from bookkeeping, accounting or billing errors or omissions;
- (b)** We will not pay for loss that requires an audit of records or any inventory computation to prove its factual existence;
- (c)** We will not pay for loss caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property. But this exclusion applies only to the extent of the wrongful giving, taking or withholding;
- (d)** Paragraph **B.1.b.** Earth Movement;
- (e)** Paragraph **B.1.c.** Governmental Action;
- (f)** Paragraph **B.1.d.** Nuclear Hazard;

(g) Paragraph **B.1.f.** War and Military Action;

(h) Paragraph **B.1.g.** Water;

(i) Paragraph **B.1.h.** Neglect; and

(j) Paragraph **B.2.g.**

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

(4) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence while in transit or at a premises other than the described premises is \$25,000.

(5) The most we will pay under this Coverage Extension for loss of or damage to records of accounts receivable in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Accounts Receivable, whichever is greater.

(6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

b. Appurtenant Buildings and Structures

(1) When a Limit of Insurance is shown in the Declarations for Building at the described premises, you may extend that insurance to apply to direct physical loss of or damage to incidental appurtenant buildings or structures, within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

(2) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Business Personal Property within incidental appurtenant buildings or structures within 1,000 feet of that described premises, caused by or resulting from a Covered Cause of Loss.

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(3) Incidental appurtenant buildings or structures include:

- (a) Storage buildings;
- (b) Carports;
- (c) Garages;
- (d) Pump houses; or
- (e) Above ground tanks;

which have not been specifically described in the Declarations.

(4) The most we will pay for loss or damage under this Coverage Extension in any one occurrence for any combination of loss of or damage to Building and Business Personal Property is \$50,000, regardless of the number of described premises involved.

(5) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

c. Building Glass

(1) If:

- (a) You are the building owner; and
- (b) A Limit of Insurance is shown in the Declarations for Building at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass by chemicals accidentally or maliciously applied to glass.

(2) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises; and
- (c) You are contractually obligated to repair or replace building glass at the described premises;

you may extend that insurance to apply to direct physical loss of or damage to all exterior and interior building glass caused by or resulting from a Covered Cause of Loss, including glass breakage and damage to glass

by chemicals accidentally or maliciously applied to glass.

(3) We will also pay for necessary expenses in connection with loss or damage covered in Paragraphs (1) or (2) above, incurred by you to:

- (a) Put up temporary plates or board up openings;
- (b) Repair or replace encasing frames; and
- (c) Remove or replace obstructions.

(4) The following exclusions apply to this Coverage Extension:

(a) We will not pay for loss or damage caused by or resulting from:

- (i) Wear and tear;
- (ii) Hidden or latent defect;
- (iii) Corrosion; or
- (iv) Rust;

(b) Paragraph B.1.b. Earth Movement;

(c) Paragraph B.1.c. Governmental Action;

(d) Paragraph B.1.d. Nuclear Hazard;

(e) Paragraph B.1.f. War and Military Action; and

(f) Paragraph B.1.g. Water.

No other exclusions in Paragraph B. Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

d. Business Income and Extra Expense From Dependent Property

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage at the premises of a Dependent Property, caused

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by or resulting from a Covered Cause of Loss.

- (2) Dependent Property means property operated by others whom you depend on to:

- (a) Deliver materials or services (other than "water supply services", "communication supply services" or "power supply services") to you, or to others for your account (Contributing Locations);
- (b) Accept your products or services (Recipient Locations);
- (c) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
- (d) Attract customers to your business (Leader Locations).

- (3) With respect to this Coverage Extension, the "period of restoration":

- (a) Begins 24 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the Dependent Property;
- (b) Ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
- (c) Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (i) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (ii) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (4) This Coverage Extension:

- (a) Applies to Dependent Property premises located within the Coverage Territory; and
- (b) Does not apply when you have more specific insurance under any other policy.

- (5) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations" in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

- (6) The most we will pay for Business Income and Extra Expense under this Coverage Extension in any one occurrence is \$10,000, regardless of the number of described premises or number of Dependent Properties involved.

- (7) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

e. Business Income and Extra Expense – Newly Acquired Premises

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss or damage caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).
- (2) The most we will pay under this Coverage Extension for the sum of Business Income and Extra Expense you incur in any one occurrence is \$250,000 at each newly acquired premises.
- (3) Insurance under this Coverage Extension for each newly acquired

premises will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire that premises;
- (c) You report that premises to us; or
- (d) The Business Income or Extra Expense is more specifically insured.

We will charge you additional premium for premises reported from the date you acquire that premises.

- (4) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

f. Business Personal Property Off Premises

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while:

- (a) In the course of transit to or from the described premises; or
- (b) Temporarily away from the described premises, and:
 - (i) At a premises you do not own, lease or operate; or
 - (ii) At any fair, trade show or exhibition at a premises you do not own or regularly occupy.

- (2) This Coverage Extension does not apply to property:

- (a) While in the custody of the United States Postal Service;
- (b) Rented or leased to others;
- (c) After delivery to customers;
- (d) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition;
- (e) Temporarily at a premises for more than 60 consecutive days, except "money" and "securities" at a "banking premises";

- (f) Otherwise covered under the Fine Arts Additional Coverage; or

- (g) Otherwise covered under the following Coverage Extensions:

- (i) Accounts Receivable;
- (ii) Electronic Data Processing;
- (iii) Personal Effects; or
- (iv) Valuable Papers and Records.

g. Civil Authority

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that prohibits access to the described premises. The civil authority action must be due to direct physical loss of or damage to property at locations, other than described premises, that are within 100 miles of the described premises, caused by or resulting from a Covered Cause of Loss.

- (2) The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of three consecutive weeks after coverage begins.

- (3) The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverage ends for this Coverage Extension.

h. Electronic Data Processing

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", caused by or resulting from a Covered Cause of Loss.

- (2) Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in



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Paragraph F.8.b. does not apply to this Coverage Extension.

- (3) This Coverage Extension does not apply to:

(a) "Stock"; or

(b) Property that is leased or rented to others.

- (4) The following exclusions as described in Paragraph B. Exclusions do not apply to this Coverage Extension:

(a) Paragraph 1.e. Utility Services;

(b) Paragraph 2.a.; or

(c) Paragraph 2.d.(6).

- (5) The following additional exclusions apply to this Coverage Extension:

(a) We will not pay for loss or damage caused by or resulting from any of the following:

(i) Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";

(ii) Unauthorized viewing, copying or use of "Electronic Data Processing Data and Media" (or any proprietary or confidential information or intellectual property) by any person, even if such activity is characterized as "theft";

(iii) Errors or deficiency in design, installation, maintenance, repair or modification of your computer systems or any computer system or network to which your system is connected or on which your system depends (including electronic data). But if errors or

deficiency in design, installation, maintenance, repair or modification of your computer system or any computer system or network to which your system is connected or on which your system depends (including electronic data) results in a "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "Electronic Data Processing Equipment";

(iv) Unexplained or indeterminate failure, malfunction or slowdown of a computer system, including "Electronic Data Processing Data and Media" or the inability to access or properly manipulate "Electronic Data Processing Data and Media"; or

(v) "Electronic Vandalism" except as provided in Paragraph (9) below.

(6) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", while in transit or at a premises other than the described premises, in any one occurrence, is \$25,000.

(7) The most we will pay under this Coverage Extension for loss of or damage to duplicates of your "Electronic Data Processing Data and Media" while stored at a separate premises from where your original "Electronic Data Processing Data and Media" are kept, in any one occurrence, is \$25,000.

(8) The most we will pay under this Coverage Extension for loss or damage to "Electronic Data Processing Equipment", including such property you newly acquire in any one occurrence is \$25,000 at each newly acquired premises. With respect to insurance

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under this Coverage Extension on newly acquired "Electronic Data Processing Equipment", coverage will end when any of the following first occurs:

- (a) This policy expires;
 - (b) 180 days expire after you acquire the "Electronic Data Processing Equipment"; or
 - (c) You report values to us.
- (9) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism", in any one occurrence is \$25,000, regardless of the number of the number of premises involved. Such limit also applies to any otherwise covered loss of Business Income or Extra Expense.
- (10) The most we will pay under this Coverage Extension for loss of or damage to "Electronic Data Processing Equipment" and to "Electronic Data Processing Data and Media", at the described premises, in any one occurrence, is the Limit of Insurance shown in the Declarations for Business Personal Property at such premises or \$50,000, whichever is less.

i. Equipment Breakdown

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from a "breakdown" to "covered equipment".

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

If an initial "breakdown" causes other "breakdowns", all will be considered one "breakdown". All "breakdowns" that manifest themselves at the same

time and are the result of the same cause will also be considered one "breakdown".

- (2) Under this Coverage Extension, the following coverages also apply:

(a) Expediting Expenses

- (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.
- (ii) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- (iii) The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one "breakdown" is \$25,000. This limit is part of and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

(b) "Pollutants"

- (i) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment", we will pay for the additional cost to repair or replace Covered Property because of contamination by "pollutants". This includes the additional expenses to clean up or dispose of such property. Additional costs mean those beyond what would have been required had no "pollutants" been involved.
- (ii) The most we will pay under this Coverage Extension for loss or damage to Covered Property caused by contamination by "pollutants" arising

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out of any one "breakdown" is \$25,000. This limit is subject to and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

(c) Service Interruption

When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to loss caused by or resulting from a "breakdown" to equipment that is owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides the following utility services:

- (i) "Water Supply Services";
- (ii) "Communication Supply Services"; or
- (iii) "Power Supply Services".

(3) We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following tests:

- (a) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
- (b) An insulation breakdown test of any type of electrical equipment.

(4) We will not pay under this Coverage Extension for loss or damage caused by or resulting from a change in:

- (a) Temperature; or
 - (b) Humidity;
- as a consequence of "breakdown" to "covered equipment".

(5) The following limitations in Paragraph A.5. do not apply to this Coverage Extension:

- (a) Paragraph a.(2); and
- (b) Paragraph a.(3).

(6) The following exclusions in Paragraph B. Exclusions do not apply to this Coverage Extension:

- (a) Paragraph 2.a.;
- (b) Paragraph 2.d.(6); and

(c) Paragraph 2.e.

(7) With respect to this Coverage Extension, the following condition is added to Paragraph F. Commercial Property Conditions:

Suspension

If any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this Coverage Form for loss or damage caused by or resulting from a "breakdown" to that "covered equipment". This can be done by delivering or mailing a notice of suspension to:

- 1. Your last known address; or
- 2. The address where the "covered equipment" is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment". But the suspension will be effective even if we have not yet made or offered a refund.

(8) The most we will pay under this Coverage Extension for all direct physical loss of or damage to:

- (a) "Diagnostic Equipment";
- (b) "Power Generating Equipment"; or
- (c) "Production Equipment";

caused by or resulting from a "breakdown" to "covered equipment" in any one occurrence is \$100,000.

j. Interruption of Computer Operations

- (1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to a "suspension" of "operations" caused by an interruption of computer operations due to direct physical loss of or damage to "Electronic Data Processing Data and Media" at the described premises caused by or resulting from a Covered Cause of Loss.**

(2) The most we will pay under this Coverage Extension is \$25,000 for the sum of all covered interruptions arising out of all Covered Causes of Loss occurring during each separate 12 month period of this policy beginning with the effective date of this policy.

(3) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

k. Money Orders and Counterfeit Paper Currency

When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss due to the good faith acceptance of:

(1) Any U.S. or Canadian post office or express money order, issued or purporting to have been issued by any post office or express company, if the money order is not paid upon presentation; or

(2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

l. Non-Owned Detached Trailers

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to trailers or semi-trailers that you do not own, provided that:

(a) The trailer or semi-trailer is used in your business;

(b) The trailer or semi-trailer is in your care, custody or control at the described premises; and

(c) You have a contractual responsibility to pay for loss of or damage to the trailer or semi-trailer.

(2) We will not pay for loss or damage that occurs:

(a) While the trailer or semi-trailer is attached to any motor vehicle or motorized conveyance, whether

or not the motor vehicle or motorized conveyance is in motion; or

(b) During hitching or unhitching operations, or when a trailer or semi-trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000 regardless of the number of described premises, trailers or semi-trailers involved.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

m. Ordinance or Law – Increased Period of Restoration

(1) When:

(a) A Covered Cause of Loss occurs to property at the described premises; and

(b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

(a) Regulates the construction, repair or replacement of any property;

(b) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and

(c) Is in force at the time of loss.

(2) This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.

(3) This Coverage Extension does not apply to:



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- (a) Loss due to an ordinance or law that:
 - (i) You were required to comply with before the loss, even if the property was undamaged; and
 - (ii) You failed to comply with; or
- (b) Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (4) Paragraph B.1.a., does not apply to this Coverage Extension.
- (5) The most we will pay for loss under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

n. Outdoor Property

- (1) When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following types of outdoor property at that described premises caused by or resulting from a Covered Cause of Loss:
 - (a) Radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers; or
 - (b) Bridges, walks, roadways, patios and other paved surfaces.
- (2) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000 at each described premises.

o. Personal Effects

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance

to apply to direct physical loss of or damage to personal effects owned by:

- (a) You; or
- (b) Your officers, partners, "members", "managers", "employees", directors or trustees;

caused by or resulting from a Covered Cause of Loss.

- (2) Such property must be located at a described premises.
- (3) The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- (4) Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.

p. Signs**(1) If:**

- (a) You are the building owner; and
- (b) A Limit of Insurance is shown in the Declarations for Building;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

(2) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
- (c) You own or are contractually obligated to repair or replace outdoor signs;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to outdoor signs attached to the building, or on or within 1,000 feet of the described premises, caused by or resulting from a Covered Cause of Loss.

q. Spoilage – Consequential Loss

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to consequential loss to your Business Personal Property caused by a change in:

- (a) Temperature; or
- (b) Humidity;

caused by or resulting from a Covered Cause of Loss to any of the following types of equipment situated within the building at the described premises:

- (a) Refrigerating;
- (b) Cooling;
- (c) Humidifying;
- (d) Air-conditioning;
- (e) Heating;
- (f) Generating or converting power; or
- (g) Connections, supply or transmission lines and pipes associated with the above equipment.

- (2) With respect to this Coverage Extension, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Coverage Form.

- (3) Paragraphs **B.2.d.(7)(a)** and **B.2.d.(7)(b)** do not apply to this Coverage Extension.

r. Theft Damage to Rented Property

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following caused by or resulting by "theft" or attempted "theft":

- (a) That part of a building you occupy, but do not own, which contains Covered Property; and
- (b) Property within such non-owned building used for maintenance or

service of such non-owned building.

- (2) We will not pay under this Coverage Extension for loss or damage:

- (a) Caused by or resulting from fire or explosion; or
- (b) To glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.

- (3) This Coverage Extension applies only if you are a tenant and you are contractually obligated to insure this exposure.

s. Valuable Papers and Records

- (1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to "valuable papers and records", that:

- (a) You own; or
- (b) Are owned by others, but in your care, custody or control;

caused by or resulting from a Covered Cause of Loss.

- (2) This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

- (3) The following exclusions apply to this Coverage Extension:

- (a) We will not pay for any loss or damage to "valuable papers and records" caused by or resulting from any errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.
- (b) Paragraph **B.1.b.** Earth Movement;
- (c) Paragraph **B.1.c.** Governmental Action;
- (d) Paragraph **B.1.d.** Nuclear Hazard;

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- (e) Paragraph B.1.f. War and Military Action;
- (f) Paragraph B.1.g. Water;
- (g) Paragraph B.1.h. Neglect; and
- (h) Paragraph B.2.g.

No other exclusions in Paragraph B. Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

- (4) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
- (5) The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Valuable Papers and Records, whichever is greater.
- (6) Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

B. EXCLUSIONS

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance or Law

- (1) The enforcement of any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance or Law, applies whether the loss results from:

- (a) An ordinance or law that is enforced even if the property has not been damaged; or
- (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased; or
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface;

all whether naturally occurring or due to man made or other artificial causes.

But if Earth Movement, as described in Paragraphs (1) through (4) above results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire or volcanic action, we will pay for the loss or damage caused by that fire or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano, when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust, or particulate matter; or

(c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and done at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure or fluctuation of power or other utility service supplied to the described premises, however caused, if the cause of the failure or fluctuation occurs away from the described premises.

But if the failure or fluctuation of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage resulting from that Covered Cause of Loss.

f. War and Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power or action taken by

governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mudslide or mudflow;

(3) Water or sewage that backs up or overflows from a sewer, drain or sump; or

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings;

all whether naturally occurring or due to man made or other artificial causes.

But if Water, as described in Paragraphs (1) through (4) above results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. Neglect

Neglect of an insured to use reasonable means to save and preserve property from further damage at and after the time of loss.

i. Collapse of Buildings

Collapse of buildings meaning an abrupt falling down or caving in of a building or any part of a building with the result being that the building or part of a building cannot be occupied for its intended purpose.

(1) This exclusion does not apply to collapse of buildings if caused only by one or more of the following:

(a) A "specified cause of loss" or breakage of building glass;

(b) Decay, insect or vermin damage that is hidden from view, unless the presence of such decay or insect or vermin damage is known to an insured prior to collapse;

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- (c) Weight of people or personal property;
- (d) Weight of rain that collects on a roof; or
- (e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of construction, remodeling or renovation; or
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs after construction, remodeling, or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (d) above.

In the event collapse results in a Covered Cause of Loss, we will only pay for the resulting loss or damage by that Covered Cause of Loss.

- (2) We will not pay for loss of or damage to the following types of property, if otherwise covered in this Coverage Form under Paragraphs (1)(b) through (1)(f) above, unless the loss or damage is a direct result of the collapse of a building:
 - (a) Awnings, gutters and downspouts;
 - (b) Outdoor radio or television antennas (including microwave or satellite dishes) and their lead-in wiring, masts or towers;
 - (c) Fences;
 - (d) Piers, wharves and docks;
 - (e) Beach or diving platforms or appurtenances;
 - (f) Retaining walls;
 - (g) Walks, roadway and other paved surfaces;
 - (h) Yard fixtures; or
 - (i) Outdoor swimming pools.
- (3) A building or part of a building that:
 - (a) Is in imminent danger of abruptly falling down or caving in; or
 - (b) Suffers a substantial impairment of structural integrity;

is not considered to have collapsed but is considered to be in a state of imminent collapse.

- (4) With respect to buildings in a state of imminent collapse, we will not pay for loss or damage unless the state of imminent collapse first manifests itself during the policy period and is caused only by one or more of the following which occurs during the policy period:
 - (a) A "specified cause of loss" or breakage of glass;
 - (b) Weight of people or personal property;
 - (c) Weight of rain that collects on a roof; or
 - (d) Use of defective material or methods in construction, remodeling or renovation if the state of imminent collapse occurs during the course of construction, remodeling or renovation.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires unless caused by a "specified cause of loss".
But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by that fire.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
 - (2) Rust, corrosion, fungus, decay, deterioration, wet or dry rot, mold, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

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- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature;
 - (c) Marring or scratching;
 - (d) Changes in flavor, color, texture or finish;
 - (e) Evaporation or leakage; or
- (8) Contamination by other than "pollutants".

But if an excluded cause of loss that is listed in Paragraphs (1) through (8) above results in a "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss), we will pay for the loss or damage caused by that "specified cause of loss", building glass breakage or "breakdown" to "covered equipment" (only if otherwise a Covered Cause of Loss).

- e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- f. Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protection sys-

tems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
 - (2) You drain the equipment and shut off the water supply if the heat is not maintained.
- h. Dishonest or criminal acts by you, or any of your partners, "members", officers, "managers", "employees" (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
 - (1) Acting alone or in collusion with others; or
 - (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your "employees" (including leased employees), but "theft" by "employees" (including leased employees) is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property.
- j. Rain, snow, sand, dust, ice or sleet to personal property in the open.
- k. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, k. does not apply to damage to glass caused by chemicals applied to the glass.

- l. Default on any credit sale, loan, or similar transaction.
- m. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This exclusion does not apply to "money" and "securities".



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- n. Loss of property or that part of any loss, the proof of which as to its existence or amount is dependent on:
 - (1) Any inventory computation; or
 - (2) A profit and loss computation.
 - o. The transfer of property to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - p. Loss of "money" or "securities" caused by or resulting from accounting or arithmetic errors or omissions.
 - q. The cost of correcting or making good the damage to personal property attributable to such property being processed, manufactured, tested, repaired, restored, re-touched or otherwise being worked upon.
3. We will not pay for loss or damage caused by or resulting from any of the following under Paragraphs a. through c. But if an excluded cause of loss that is listed in Paragraphs a. and b. below results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions, but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1. above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.
 If an excluded cause of loss that is listed in Paragraphs (1) through (4) above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or
- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

4. Business Income and Extra Expense Exclusions

We will not pay for:

- a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:
 - (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference by strikers or other persons at the location of the rebuilding, repair or replacement; or
 - (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and the period of Extended Business Income; or
- b. Any other consequential loss.

C. LIMITS OF INSURANCE

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Forms, or endorsements.
- 2. **Inflation Guard**
 - a. When a percentage for Inflation Guard is shown in the Declarations, the Limit of Insurance for property to which this coverage applies will automatically increase by that annual percentage.
 - b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, multiplied by

- (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), multiplied by
- (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Building limit is \$100,000

The annual percentage increase is 8%

The number of days since the beginning of the policy year (or last policy change) is 146

The amount of increase is
 $\$100,000 \times .08 \times (146/365) = \$3,200$

3. Business Personal Property Limit – Seasonal Increase

- a. The Limit of Insurance for Business Personal Property shown in the Declarations will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

D. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Businessowners Property Coverage Deductible shown in the Declarations. We will then pay the amount of covered loss or damage in excess of that Deductible. But we will not pay more than the applicable Limit of Insurance.
2. Regardless of the amount of the Businessowners Property Coverage Deductible, the most we will deduct from any loss or damage under the Building Glass Coverage Extension

in any one occurrence is the Building Glass Deductible shown in the Declarations.

3. The Businessowners Property Coverage Deductible does not apply to any of the following:
 - a. Fire Department Service Charge;
 - b. Business Income and Extra Expense;
 - c. Arson and Theft Reward; and
 - d. Accounts Receivable.
4. If more than one deductible applies to loss or damage in any one occurrence, we will apply each deductible separately. But the total of all deductible amounts applied in any one occurrence will not exceed the largest applicable deductible.

E. PROPERTY LOSS CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the value of the property, the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property, the amount of Net Income and operating expense or the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:
 - (1) Notify the police if a law may have been broken. This duty does not ap-



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ply to loss or damage arising from "employee dishonesty" and "forgery" or alteration.

- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (7) For loss or damage from other than "employee dishonesty" or "forgery" or alteration send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) For loss or damage resulting from "employee dishonesty" or "forgery" or alteration, give us a detailed, sworn proof of loss within 120 days after you discover a loss or situation that

may result in loss of or damage to Covered Property.

- (9) Cooperate with us in the investigation and settlement of the claim.
- (10) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment – Building and Personal Property

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to Paragraph b. below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph b. below.

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of Paragraph e. below or any applicable provision which amends or supersedes these valuation conditions.

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property, except as provided in the Ordinance or Law Additional Coverage.
- c. We will give notice of our intentions within 30 days after we receive the proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.

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e. We will determine the value of Covered Property in the event of covered loss or damage as follows:

(1) At replacement cost (without deduction for depreciation), except as provided in Paragraphs (2) through (18) below.

(a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

(b) We will not pay on a replacement cost basis for any loss or damage:

- (i) Until the lost or damaged property is actually repaired or replaced; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

With respect to tenants' improvements and betterments, the following also applies:

a) If the conditions in Paragraphs (i) and (ii) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth under Paragraph e.(7) below; and

b) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.

(c) We will not pay more for loss or damage on a replacement cost basis than the least of Paragraphs (i), (ii) or (iii) subject to Paragraph (d) below:

(i) The Limit of Insurance applicable to the lost or damaged property;

(ii) The cost to replace the lost or damaged property with other property:

a) Of comparable material and quality; and

b) Used for the same purpose; or

(iii) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in Paragraph (ii) above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

(d) The cost of repair or replacement does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

(2) If the Declarations indicate that Actual Cash Value applies to Buildings or Business Personal Property, Paragraph (1) above does not apply to the property for which Actual Cash Value is indicated.

(3) Personal Property of others at the amount for which you are liable plus the cost of labor, materials or services furnished or arranged by you on personal property of others, not to exceed the replacement cost.

(4) The following property at actual cash value:

(a) Used or second-hand merchandise held in storage or for sale;

(b) Household furnishings; and

(c) Personal effects.

(5) "Fine Arts" as follows:

(a) If there is a schedule of "fine arts" on file which includes a description and value of the lost or damaged item, we will pay the value as stated in the schedule for that



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item if there is a total loss to that item. If there is a partial loss to an item, we will pay the cost of reasonably restoring or repairing that item.

- (b) For "fine arts" without a schedule on file as described in Paragraph (a) above, the value of "fine arts" will be the least of the following amounts:
 - (i) Market value of the lost or damaged item at the time and place of loss;
 - (ii) The cost of reasonably restoring the lost or damaged item; or
 - (iii) The cost of replacing that lost or damaged item with property substantially the same.
- (6) Glass at the cost of replacement with safety glazing material if required by law.
- (7) Tenants' Improvements and Betterments at:
 - (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in Paragraph (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
 - (c) Nothing, if others pay for repairs or replacement.
- (8) "Valuable Papers and Records" at the cost of restoration or replacement. To the extent that the contents of the "valuable papers and records"

are not restored or replaced, the "valuable papers and records" will be valued at the cost of replacement with blank material of substantially identical type.

- (9) "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- (10) Property in transit (other than "stock" you have sold) at the amount of invoice, including your prepaid or advanced freight charges and other charges which may have accrued or become legally due from you since the shipment. If you have no invoice, actual cash value will apply.
- (11) "Money" at its face value.
- (12) "Securities" at their value at the close of business on the day the loss is discovered.
- (13) Accounts Receivable as follows:
 - (a) If you cannot accurately establish the amount of Accounts Receivable outstanding as of the time of loss, we will:
 - (i) Determine the total of the average monthly amounts of Accounts Receivable for the 12 months immediately preceding the month in which the loss occurs; and
 - (ii) Adjust that total for any normal fluctuations in the amount for Accounts Receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month.
 - (b) If you can accurately establish the amount of Accounts Receivable outstanding, that amount will be used in the determination of loss.
 - (c) The following will be deducted from the total amount of Accounts Receivable, however that amount is established:
 - (i) The amount of the accounts for which there was no loss;

- (ii) The amount of the accounts that you are able to re-establish or collect;
- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
- (iv) All unearned interest and service charges.

- (14) "Electronic Data Processing Equipment" at replacement cost as of the time and place of loss, without deduction for physical deterioration, depreciation, obsolescence or depletion. However, in the event replacement of "Electronic Data Processing Equipment" with identical property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.

"Electronic Data Processing Equipment" that is obsolete or no longer used by you will be valued at actual cash value.

- (15) "Electronic Data Processing Data and Media" for which duplicates do not exist will be valued as follows:

- (a) The cost of blank media; and
- (b) Your cost to research, replace or restore the lost electronic data on lost, damaged or destroyed "Electronic Data Processing Data and Media" but only if the lost electronic data is actually replaced or restored.

- (16) Duplicate "Electronic Data Processing Data and Media" at the cost of:

- (a) Blank media; and
- (b) Labor to copy the electronic data, but only if the electronic data is actually copied.

- (17) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in de-

termining the value of Covered Property:

- (a) Distilled spirits;
- (b) Wines;
- (c) Rectified products; or
- (d) Beer.

- (18) Lottery tickets at their initial cost to you except for winning tickets at their redeemed value.

- f. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property, if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- g. We have the right but not the duty to defend you against suits arising from claims of owners of property. We will do so at our expense.

- h. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss provided you have complied with all of the terms of this policy; and

- (1) We have reached agreement with you on the amount of loss; or

- (2) An appraisal award has been made.

- i. At our option, we may make a partial payment toward any claim, subject to the policy provisions and our normal adjustment process. To be considered for partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.

5. Loss Payment – Business Income and Extra Expense

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;

- (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any likely increase in Net Income attributable to



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an increase in the volume of business as a result of favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;

- (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 - (1) All reasonable and necessary expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) All reasonable and necessary expenses that reduce the Business Income loss that otherwise would have been incurred.
- c. We will reduce the amount of your:
 - (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including "stock") at

the described premises or elsewhere; or

- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- e. We will pay for covered loss or damage within 30 days after we receive your sworn proof of loss provided you have complied with all of the terms of this policy; and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay the recovery expenses and the expenses to repair the recovered property, subject to the applicable Limit of Insurance.

7. Noncumulative Limit

No Limit of Insurance cumulates from policy period to policy period.

F. COMMERCIAL PROPERTY CONDITIONS**1. Concealment, Misrepresentation or Fraud**

This Coverage Form is void in any case of fraud by you. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a. This Coverage Form;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Form.

2. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more premises will not affect coverage at any premises where, at the time of loss or damage, the breach of condition does not exist.

3. Insurance Under Two or More Coverages

If two or more coverages under this Coverage Form apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

4. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form unless:

- a. There has been full compliance with all of the terms of this Coverage Form; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Form without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Form.

6. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

7. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

8. Policy Period, Coverage Territory

Under this Coverage Form:

- a. We cover loss or damage you sustain through acts committed or events occurring:
 - (1) During the policy period shown in the Declarations; and

- (2) Within the coverage territory; and

b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

9. Transfer of Rights of Recovery Against Others to Us.

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property or Covered Income; or
- b. After a loss to your Covered Property or Covered Income only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

This will not restrict your insurance.

10. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss multiplied by the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in step (1);
- (3) Multiply the total amount of the covered loss, before the application of



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any deductible, by the figure determined in step (2); and

- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or the limit of insurance, whichever is less.

For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Under insurance):

When:

The value of the property is	\$250,000
The Coinsurance percent for it is	90%
The Limit of Insurance for it is	\$112,500
The Deductible is	\$250
The amount of loss is	\$40,000

Step (1): $\$250,000 \times 90\% = \$225,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$112,500 / \$225,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example No. 2 (Adequate Insurance):

When:

The value of the property is	\$250,000
The Coinsurance percentage for it is	90%
The Limit of Insurance for it is	\$225,000
The Deductible is	\$250
The amount of loss is	\$40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$225,000 ($\$250,000 \times 90\%$).

Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. Coinsurance does not apply to:

- (1) "Money" and "securities";

(2) Additional Coverages;

(3) Coverage Extensions; or

(4) Loss or damage in any one occurrence totaling less than \$2,500.

11. Mortgageholders

- a. The term, mortgageholder, includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Form, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Form at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership or occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Form will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Form:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's rights to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued in-

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terest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. PROPERTY DEFINITIONS

- 1. **"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution or similar safe depository.
- 2. **"Breakdown"**
 - a. Means:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure including arcing; that causes physical damage to "covered equipment" and necessitates its repair or replacement; and
 - b. Does not mean:
 - (1) Malfunction, including but not limited to adjustment, alignment, calibration, cleaning or modification;
 - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (3) Damage to any vacuum tube, gas tube, or brush;
 - (4) Damage to any structure or foundation supporting the "covered equipment" or any of its parts;
 - (5) The functioning of any safety or protective device; or

- (6) The cracking of any part on any internal combustion gas turbine exposed to the products of combustion.

3. "Communication Supply Services"

- a. Means property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - (1) Communication transmission lines, including fiber optic transmission lines;
 - (2) Coaxial cables; and
 - (3) Microwave radio relays, except satellites; and
- b. Does not mean overhead transmission lines.

4. "Covered Equipment"

- a. Means the following types of equipment:
 - (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
 - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
 - (3) Fiber optic cable; and
 - (4) Hoists and cranes;
- b. Does not mean any:
 - (1) "Electronic Data Processing Equipment";
 - (2) "Electronic Data Processing Data and Media";
 - (3) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
 - (4) Insulating or refractory material;
 - (5) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
 - (6) Structure, foundation, cabinet or compartment supporting or containing the "covered equipment" or part of the "covered equipment" including penstock, draft tube or well casing;
 - (7) Vehicle, aircraft, self-propelled equipment or floating vessel, including any



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equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;

(8) Elevator or escalator, but not excluding any electrical machine or apparatus mounted on or used with this equipment; or

(9) Equipment or any part of such equipment manufactured by you for sale.

5. **"Diagnostic Equipment"** means any:

- a. Equipment; or
- b. Apparatus;

used solely for research, diagnostic, medical, surgical, therapeutic, dental or pathological purposes.

6. **"Electronic Data Processing Data and Media"**

a. Means any of the following used in your computer operations:

(1) Data stored as or on, created or used on, or transmitted to or from computer software (including systems and applications) on electronic data processing, recording or storage media such as hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment;

(2) The electronic media on which the data is stored; and

(3) Programming records and instructions used for "Electronic Data Processing Equipment"; and

b. Does not mean "Valuable Papers and Records".

7. **"Electronic Data Processing Equipment"**

a. Means any of the following equipment used in your operations:

(1) Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and

(2) Any component parts and peripherals of such equipment, including related surge protection devices; and

b. Does not mean equipment used to operate production type of:

- (1) Machinery; or
- (2) Equipment.

8. **"Electronic Vandalism"** means any acts by persons, other than "employees", involving any of the following:

a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems; or

b. Unauthorized computer code or programming that:

(1) Deletes, distorts, corrupts or manipulates computer programs, contents, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which is introduced;

(2) Replicates itself, impairing the performance of computers or computer systems or networks; or

(3) Gains remote control access to data and programming within computers or computers systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

9. **"Employee(s)"**

a. Means:

(1) Any natural person:

(a) While in your service (and for 30 days after termination of service);

(b) Whom you compensate directly by salary, wages or commissions; and

(c) Whom you have the right to direct and control while performing services for you;

(2) Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the premises; or

- (3) Your directors or trustees while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts; and
- b. Does not mean any agent, broker, person leased to you by a labor leasing firm, factor, commission merchant, consignee, independent contractor or representative of the same general character.
10. **"Employee Dishonesty"** means only dishonest acts, committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you, a partner, a "member", or a "manager" with the manifest intent to:
- Cause you to sustain loss; and also
 - Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - The "employee"; or
 - Any person or organization intended by the "employee" to receive that benefit.
11. **"Fine Arts"**
- Means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glass, bric-a-brac, and similar property with historical value, or artistic merit; and
 - Does not mean any glass that is part of a building or structure.
12. **"Forgery"** means the signing of the name of another person or organization with intent to deceive. "Forgery" does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity for any purpose.
13. **"Interior of any building or structure"** means all portions of the building or structure that are within the exterior facing surface material of the building or structure.
14. **"Maintenance Fees"** means the regular payment made to you by unit-owners and used to service the common property.
15. **"Manager"** means a person serving in a directorial capacity for a limited liability company.
16. **"Member"** means an owner of a limited liability company represented by its membership interest, who also may service as a "manager".
17. **"Money"** means currency and coins in current use, bank notes, travelers checks, register checks and money orders held for sale to the public.
18. **"Operations"** means your business activities occurring at the described premises and the tenantability of the described premises.
19. **"Period of Restoration"**
- Means the period of time that:
 - Begins:
 - For Business Income coverage:
 - With the date of direct physical loss or damage, if the Declarations show Immediately for Period of Restoration – Time Period; or
 - 72 hours after the time of direct physical loss or damage, if the Declarations show 72 hours for Period of Restoration – Time Period; or
 - For Extra Expense coverage with the date of direct physical loss or damage;
 caused by or resulting from any Covered Cause of Loss at the described premises; and
 - Ends on the earlier of:
 - The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - The date when business is resumed at a new permanent location; and
 - Does not mean any increased period required due to the enforcement of any law that:
 - Regulates the construction, use or repair, or requires the tearing down of any property; or

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- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

- 20. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.

21. **"Power Generating Equipment"**

- a. Means the following types of equipment or apparatus:
 - (1) Pressure;
 - (2) Mechanical; or
 - (3) Electrical;
 used in or associated with the generation of electric power; and
- b. Does not mean such equipment that is used solely to generate emergency power that is less than or equal to 1000KW.

22. **"Power Supply Services"**

- a. Means the following types of property supplying electricity, steam or gas to the described premises:
 - (1) Utility generating plants;
 - (2) Switching stations;
 - (3) Substations;
 - (4) Transformers; and
 - (5) Transmission lines; and
- b. Does not mean overhead transmission lines.

23. **"Production Equipment"**

- a. Means any:
 - (1) Production machinery; or
 - (2) Process machinery;
 that processes, shapes, forms or grinds:
 - (1) Raw materials;
 - (2) Materials in process; or
 - (3) Finished products; and

- b. Includes "covered equipment" that is used solely with or forms an integral part of the:

- (1) Production;
- (2) Process; or
- (3) Apparatus.

24. **"Rental Value"** means Business Income that consists of:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including the fair rental value of any portion of the described premises which is occupied by you; and
- b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

- 25. **"Securities"** means all negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes revenue or other stamps in current use, tokens, tickets and credit card slips for sales made by you and held by you for reimbursement from companies issuing credit cards, but does not include "money". Lottery tickets held for sale are not securities.

26. **"Specified Causes of Loss"** means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into underground man-made cavities.

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- b. Falling objects does not include loss of or damage to:
 - (1) Personal Property in the open; or
 - (2) The "interior of a building or structure", or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) that is located on the described premises and contains water or steam.
27. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
28. **"Suspension"** means:
- a. The partial or complete cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable.
29. **"Theft"** means any act of stealing.
30. **"Vacant"** means the following:
- (1) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the ten-

ant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

- (2) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
- (b) Used by the building owner to conduct customary operations.

31. **"Valuable Papers and Records"**

- a. Means inscribed, printed or written:

- (1) Documents;
- (2) Manuscripts; or
- (3) Records;

including abstracts, books, deeds, drawings, films, maps or mortgages; and

- b. Does not mean "money" or "securities" or "Electronic Data Processing Data and Media".

32. **"Water Supply Services"** means the following types of property supplying water to the described premises:

- a. Pumping stations; and
- b. Water mains.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE PART

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

85% with respect to such Insured Losses occurring in calendar year 2015.

84% with respect to such Insured Losses occurring in calendar year 2016.

83% with respect to such Insured Losses occurring in calendar year 2017.

82% with respect to such Insured Losses occurring in calendar year 2018.

81% with respect to such Insured Losses occurring in calendar year 2019.

80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 4% of your total Businessowners Coverage Part premium if your primary location is in a Designated City (as listed below).
- 2% of your total Businessowners Coverage Part premium if your primary location is not in a Designated City (as listed below).

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Designated Cities are:			
Albuquerque, NM	El Paso, TX	Miami, FL	San Diego, CA
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Antonio, TX
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charlotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN – SERVICE INTERRUPTION LIMITATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

- A.** The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:
- 1.** The following is added to Paragraph **A.7. Coverage Extensions i. Equipment Breakdown:**
 - (9)** With respect to Service Interruption coverage, we will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following:
 - (a)** Fire;
 - (b)** Lightning;
 - (c)** Windstorm or hail;
 - (d)** Explosion (except for steam or centrifugal explosion);
 - (e)** Smoke;
 - (f)** Aircraft or vehicles;
 - (g)** Riot or civil commotion;
 - (h)** Vandalism;
 - (i)** Sprinkler Leakage;
 - (j)** Falling objects;
 - (k)** Weight of snow, ice or sleet;
 - (l)** Freezing; or
 - (m)** Collapse

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDATORY PROVISIONS – GREEN BUILDING AND BUSINESS PERSONAL PROPERTY COVERAGE ENHANCEMENTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

A. DEFINITIONS

As used in this endorsement:

1. **"Green"** means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
2. **"Green Authority"** means a recognized authority on green building or green products, materials or processes.

B. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. The following **Additional Coverages** are added:

a. Green Building Alternatives – Increased Cost

- (1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building that is covered property, we will pay for:
 - (a) The reasonable additional cost you incur to repair or replace the lost or damaged portions of the building using products or materials that:
 - (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
 - (ii) Are otherwise of comparable quality and function to the damaged property;

and

- (b) The reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".

- (2) The insurance provided under this Additional Coverage applies only if replacement cost valuation applies to the lost or damaged building and then only if the building is actually repaired or replaced as soon as reasonably possible after the loss or damage.
- (3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.
- (4) The most we will pay for the additional cost incurred with respect to each building in any one occurrence under this Additional Coverage is determined by:
 - (a) Multiplying 5%; times
 - (b) The amount we would otherwise pay for the direct physical loss of or damage to the building, prior to application of any applicable deductible.
- (5) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of buildings involved, is \$25,000.



BUSINESSOWNERS**b. Green Building Reengineering and Recertification Expense**

(1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building that is Covered Property, the pre-loss level of "green" building certification by a "Green Authority" on the building is lost, we will pay for the following reasonable additional expenses you incur to re-attain the pre-loss level of "green" building certification from that "Green Authority":

(a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:

(i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building; or

(ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer;

and

(b) The reasonable registration and recertification fees charged by the "Green Authority".

(2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the pre-loss level of "green" building certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.

(3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

(4) The most we will pay in any one occurrence under this Additional Coverage for:

(a) All expenses incurred with respect to each building is 5% of the sum of:

(i) The amount we pay for the direct physical loss of or damage to the building, including any amount paid under the Green Building Alternatives – Increased Cost Additional Coverage; and

(ii) The deductible amount applied to the loss payment for direct physical loss or damage to the building;

(b) All expenses incurred, regardless of the number of buildings involved, is \$25,000.

2. The following **Coverage Extensions** are added:

a. Green Building and Business Personal Property Alternatives – Increased Period of Restoration

(1) If:

(a) Direct physical loss or damage by a Covered Cause of Loss occurs to a building at the described premises or Business Personal Property at the described premises to which the Green Business Personal Property Alternatives – Increased Cost Coverage Extension applies; and

(b) The Declarations show that you have coverage for Business Income and Extra Expense;

you may extend that insurance to include the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increase in the "period of restoration" that is reasonably necessary to:

(i) Repair or replace the lost or damaged portions of the building or Business Personal Property (as described in Green Business Personal

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Property Alternatives – Increased Cost Coverage Extension) using products or materials that:

- a) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- b) Are otherwise of comparable quality and function to the damaged property;

and

- (ii) Employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building or Business Personal Property (as described in Green Business Personal Property Alternatives – Increased Cost Coverage Extension), in accordance with the documented standards of a "Green Authority";

subject to a maximum of 30 additional days from the date the "period of restoration" would otherwise have ended.

- (2) This Coverage Extension is included in, and does not increase, the amount of coverage available based on the applicable Business Income and Extra Expense provision shown in the Declarations.

b. Green Business Personal Property Alternatives – Increased Cost

(1) If:

- (a) The Declarations show that you have coverage for Business Personal Property; and
- (b) Direct physical loss or damage by a Covered Cause of Loss occurs to covered Business Personal Property at the described premises; and

- (c) Such loss or damage requires replacement of such property, or with respect to improvements and betterments, requires repair or replacement;

you may extend that insurance to apply to the reasonable additional cost you incur to replace the lost or damaged Business Personal Property, or with respect to improvements and betterments, to repair or replace the lost or damaged portions of such improvements and betterments, using products or materials that:

- (i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
- (ii) Are otherwise of comparable quality and function to the damaged property.

- (2) With respect to improvements and betterments you may also extend that insurance to apply to the reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "Green Authority".
- (3) The insurance provided under this Coverage Extension applies only if replacement cost valuation applies to the lost or damaged property and then only if the property is actually repaired or replaced as soon as reasonably possible after the loss or damage.
- (4) This Coverage Extension does not apply to "stock" or property of others that is in your care, custody or control.
- (5) The insurance provided under this Coverage Extension does not apply to Business Personal Property at any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

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- (6) The most we will pay in any one occurrence under this Coverage Extension for the increased cost incurred with respect to the damaged property to which this Coverage Extension applies is determined by:
 - (a) Multiplying 5%; times
 - (b) The amount we would otherwise pay for the direct physical loss of or damage to the business personal property, prior to application of any applicable deductible.
 - (7) However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of described premises involved, is \$25,000.
- 3. The following provision is added to the Loss Payment Loss Condition in Section E.4. :
Except as specifically provided under the:
 - a. Green Building Alternatives – Increased Cost Additional Coverage; and
 - b. Green Building Reengineering and Recertification Expense Additional Coverage; and
 - c. Green Business Personal Property Alternatives – Increased Cost Coverage Extension;the cost to repair, rebuild or replace does not include any increased cost incurred to re-attain a pre-loss level of "green" building certification from a "Green Authority".
- 4. This endorsement does not apply to property covered under the Newly Acquired or Constructed Property Additional Coverage.
- 5. With respect to the Additional Coverages and Coverage Extensions of this endorsement we will not pay for any Business Income or Extra Expense loss caused by or resulting from obtaining "green" building certification from a "Green Authority". However, this does not apply to any increase in the "period of restoration" required to re-attain a pre-loss level of "green" building certification from a "Green Authority" as otherwise covered under the Green Building and Business Personal Property Alternatives – Increased Period of Restoration Coverage Extension.
- 6. Under the **DEFINITIONS** in **Section G.** the following is added to the definition of "period of restoration":
"Period of restoration" does not include any increased period required to re-attain a pre-loss level of "green" building certification from a "Green Authority". But this does not apply to any increase in the "period of restoration" otherwise covered under the Green Building and Business Personal Property Alternatives – Increased Period of Restoration Coverage Extension.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POWER PAC ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM

A. The BUSINESSOWNERS PROPERTY COVERAGE SPECIAL FORM is changed as follows:

1. With respect to Business Income and Extra Expense, the time frame referenced in Paragraph **A.3.c.(2)(b)** is increased from sixty consecutive days to ninety consecutive days.
2. The limit applicable to the **Additional Coverage – Claim Data Expense** is increased from \$5,000 to \$10,000.
3. The limit applicable to the **Additional Coverage – Newly Acquired or Constructed Property** for Business Personal Property is increased from \$250,000 to \$500,000.
4. The limit applicable to the **Additional Coverage – Outdoor Trees, Shrubs, Plants and Lawns** is increased from \$3,000 to \$5,000.
5. With respect to the **Additional Coverage – Ordinance or Law**, coverage is extended to include tenant's improvements and betterments as described in Paragraph **A.1.b.(3)** if:
 - a. You are a tenant; and
 - b. A Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.
6. The following **Additional Coverages** are added:
 - a. **Brands or Labels**
If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:
 - (1) Stamp the word "Salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
 - (2) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs **(1)** and **(2)** above. The most we will pay for these costs and the value of the damaged property under this Additional Coverage is \$25,000.

Payments under this Additional Coverage are subject to and not in addition to the Limits of Insurance.

b. Identity Fraud Expense

- (1)** We will pay for Expenses incurred by an Insured Person as a direct result of any one Identity Fraud first discovered or learned of by such Insured Person during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an Insured Person, is considered to be one Identity Fraud, even if a series of acts continues into a subsequent policy period.

- (2)** With respect to this Additional Coverage:

(a) Expenses means:

- (i)** Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
- (ii)** Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors;
- (iii)** Lost income resulting from:
 - a) Time taken off work to complete fraud affidavits; or

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- b) Meeting with or talking to law enforcement agencies, credit agencies or legal counsel;
up to a total payment of \$5000, subject to a maximum of \$200 per day;
 - (iv) Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
 - (v) Reasonable attorney fees to:
 - a) Defend lawsuits brought against an Insured Person by merchants, financial institutions or their collection agencies;
 - b) Remove any criminal or civil judgments wrongly entered against an Insured Person; or
 - c) Challenge the accuracy or completeness of any information in a consumer credit report;
 - (vi) Charges for long distance telephone calls to:
 - a) Merchants;
 - b) Law enforcement agencies;
 - c) Financial institutions or similar credit grantors; or
 - d) Credit agencies; or
 - (vii) Reasonable fees for professional financial advice or professional credit advice.
 - (b) Identity Fraud means:
The act of knowingly transferring or using, without lawful authority, a means of identification of an Insured Person with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law; and
 - (c) Insured Person means:
 - (i) For sole proprietorships;
The individual who is the sole proprietor of the Named Insured shown in the Declarations;
 - (ii) For partnerships;
Any individual that is a partner of the Named Insured shown in the Declarations;
 - (iii) For corporations or any other type of organization;
The Chief Executive Officer, and any individual who has an ownership interest of at least 20% of the Named Insured shown in the Declarations; or
 - (iv) For religious institutions;
The individual who is the senior pastoral "employee" of the Named Insured shown in the Declarations.
- (3) The following additional exclusions apply to this Additional Coverage:
We will not pay for:
 - (a) Expenses incurred due to any fraudulent, dishonest or criminal act by:
 - (i) An Insured Person;
 - (ii) Any person aiding or abetting an Insured Person; or
 - (iii) Any authorized representative of an Insured Person;
whether acting alone or in collusion with others;
 - (b) Expenses incurred that are not related to the identity of an individual; or
 - (c) Loss other than Expenses. Account balances which arise out of fraudulent or unauthorized charges would be one example of loss other than Expenses.
 - (4) This Additional Coverage does not apply to Expenses otherwise covered under the Unauthorized Business Card Use Additional Coverage.
 - (5) Regardless of the amount of the Businessowners Property Coverage Deductible shown in the Declarations,

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the most we will deduct from any claim for Expenses under this Additional Coverage for any one Identity Fraud is \$250.

- (6) The most we will pay under this Additional Coverage is \$15,000 for the sum of all covered Expenses arising out of all Identity Fraud against an Insured Person discovered during each separate 12 month period of this policy beginning with the effective date of this endorsement.

- (7) In order for coverage to be provided under this Additional Coverage, you must:

Send to us, within 60 days after our request, receipts, bills or other records that support your claim for Expenses under Identity Fraud coverage.

c. Lost Key Consequential Loss

- (1) We will pay for consequential loss to keys and locks if a master or grand master key is lost or damaged from a Covered Cause of Loss. We will pay for:

- (a) The actual cost of keys, and
- (b) Adjustment of locks to accept new keys, or
- (c) If required, new locks including cost of their installation.

- (2) Loss or damage must be caused by or result from a Covered Cause of Loss including mysterious disappearance.

- (3) The most we will pay for loss or damage under this Additional Coverage is \$500 at each described premises.

d. Unauthorized Business Card Use

We will pay for your loss of "money" or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge cards issued in your business name, including:

- (1) Fund transfer cards;
- (2) Charge plates; or
- (3) Telephone cards.

The most we will pay under this Additional Coverage in any one occurrence is \$5,000.

e. Utility Services – Direct Damage

- (1) We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- (a) "Water Supply Services";
- (b) "Communication Supply Services"; or
- (c) "Power Supply Services".

- (2) The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$2,500 at each described premises.

- (3) Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.

7. The following Coverage Extensions are changed as follows:

- a. The limits applicable to the **Coverage Extension – Accounts Receivable** are changed as follows:

- (1) The limit applicable to records of accounts receivable while in transit or at a premises other than the described premises is increased by \$100,000.
- (2) The limit applicable to records of accounts receivable at each described premises is increased by \$100,000.

- b. The limit applicable to the **Coverage Extension – Business Income and Extra Expense From Dependent Property** is increased from \$10,000 to \$25,000.

- c. The limit applicable to the **Coverage Extension – Business Income and Extra Expense – Newly Acquired Premises** is increased from \$250,000 to \$500,000.

- d. Two of the limits applicable to the **Coverage Extension – Electronic Data Processing** are changed as follows:

- (1) The limit applicable to "Electronic Data Processing Equipment" and to

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"Electronic Data Processing Data and Media" while in transit or at a premises other than the described premises is increased from \$25,000 to \$50,000.

- (2) The limit applicable to loss or damage to "Electronic Data Processing Data and Media" caused by or resulting from "electronic vandalism" is increased from \$25,000 to \$50,000.
 - e. The limit applicable to the **Coverage Extension – Ordinance or Law – Increased "Period of Restoration"** is increased from \$25,000 to \$50,000.
8. The following **Coverage Extensions** are added:
- a. **Computer Fraud**

(1) When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss of or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or "banking premises":

- (a) To a person outside those premises; or
- (b) To a place outside those premises.

(2) Paragraph B.2.o. does not apply to this Coverage Extension.

(3) The most we will pay under this Coverage Extension in any one occurrence is \$5,000, regardless of the number of premises involved.

b. **Limited Building Coverage – Tenant Obligation**

(1) If:

- (a) You are a tenant;
- (b) A Limit of Insurance is shown in the Declarations for Business Personal Property; and
- (c) You are contractually obligated to repair or replace that part of a building you occupy as a tenant;

at the described premises, you may extend that insurance to apply to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than "theft" or attempted "theft".

(2) This Coverage Extension does not apply to any otherwise covered:

- (a) Building glass; or
- (b) Tenants improvements and betterments as described in Paragraph A.1.b.(3).

(3) The most we will pay under this Coverage Extension in any one occurrence is \$5,000 at each described premises.

c. **Utility Services – Time Element**

(1) When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the loss of Business Income or Extra Expense caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:

- (a) "Water Supply Services";
- (b) "Communication Supply Services"; or
- (c) "Power Supply Services".

(2) We will pay the actual loss sustained from the initial time of service(s) failure at the described premises but only when the service interruption at the described premises exceeds 24 hours immediately following the direct physical loss or damage. Coverage does not apply to any reduction of income after service has been restored to your premises.

(3) The most we will pay for loss under this Coverage Extension in any one occurrence is \$2,500 at each described premises.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

A. When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.

B. The following is added to the **Valuation Loss Condition**:

When this policy is written to insure any real property in Nebraska against loss by fire, tornado, windstorm, lightning or explosion and the property insured shall be wholly destroyed, without criminal fault on the part of you or your assignee, the amount of the insurance written on such real property shall be taken conclusively to be the true value of the property insured and the true amount of loss and measure of damages.

C. The **Concealment, Misrepresentation Or Fraud Condition** is replaced by the following:

MISREPRESENTATION OR BREACH OF CONDITION OR WARRANTY

1. A misrepresentation or warranty made by you or on your behalf in the negotiation of or application for this Coverage Part will void this policy if:

- a. It is material;
- b. It is made with the intent to deceive;
- c. We rely on it; and
- d. We are deceived to our injury.

2. A breach of warranty or condition will void the policy if such breach exists at the time of loss and contributes to the loss.

D. The following exclusion is added to the Causes of Loss Forms and to any Coverage Form or policy to which a Causes of Loss Form is not attached:

We will not pay for loss or damage arising out of any act committed:

1. By or at the direction of any insured; and
2. With the intent to cause a loss.

However, this exclusion does not apply to deny coverage to an innocent insured to the extent of that insured's legal interest (but not exceeding the applicable Limit of Insurance) in Covered Property that has sustained damage if the damage

arises out of abuse of the innocent insured by a current or former family member or household member and is otherwise covered under this Coverage Part. We may apply reasonable standards of proof to claims for such damage.

E. The **Transfer Of Rights Of Recovery Against Others To Us Condition**, in the Commercial Property Conditions, is amended by adding the following:

If we pay an innocent coinsured subject of abuse for loss arising out of abuse by another insured who is a current or former family member or household member, the rights of the innocent coinsured to recover damages from the abuser are transferred to us to the extent of our payment. The innocent coinsured may not waive such rights to recover against the abuser.

F. In Paragraphs **D.** and **E.** above, abuse means attempting to cause or intentionally, knowingly, or recklessly causing damage to property so as to intimidate or attempt to control the behavior of another person, including a minor child.

G. The following is added to the **Loss Payment Loss Condition** and supersedes any provision to the contrary:

LOSS PAYMENT

We will give you notice, within 15 days after we receive settlement information or a properly executed proof of loss, that we:

1. Accept your claim;
2. Deny your claim; or
3. Need more time to investigate your claim.

If we deny your claim, the denial will be given to you in writing.

If we need more time to investigate your claim, we will provide an explanation for our need for more time. We will continue to notify you again in writing, at least every 30 days, of the status of the investigation and of the continued time needed for the investigation.

However, if the claim is in litigation, the requirements pertaining to notice of the status of our investigation do not apply.

**COMMERCIAL GENERAL LIABILITY
COVERAGE FORM
CG 00 01 10 01**

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

COMMERCIAL GENERAL LIABILITY

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such

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premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the

"bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".



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However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of the operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III—Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

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Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

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b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trade-mark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding

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to, or assessing the effects of, "pollutants".

COVERAGE C MEDICAL PAYMENTS**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (1) The accident takes place in the "coverage territory" and during the policy period;
- (2) The expenses are incurred and reported to us within one year of the date of the accident; and
- (3) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while taking part in athletics.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

h. War

Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All costs taxed against the insured in the "suit".
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment

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interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

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2. Each of the following is also an insured:

- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a) Owned, occupied or used by,
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c. Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

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No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person

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or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over:

- (1) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - (b) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

- (c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

- (d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.

- (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contrib-

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ute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in a. above;
 - (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

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provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of "your product" or "your work"; or
 - b. Your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property

damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
11. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical

COMMERCIAL GENERAL LIABILITY

device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended

COMMERCIAL GENERAL LIABILITY

use by any person or organization other than another contractor or sub-contractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured

must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

- a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

- b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

- c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

- a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

COMMERCIAL GENERAL LIABILITY

b. Includes:

- | | |
|---|---|
| <p>(1) Warranties or representations made at any time with respect to the fitness, qual-</p> | <p>ity, durability, performance or use of "your work", and</p> <p>(2) The providing of or failure to provide warnings or instructions.</p> |
|---|---|

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COVERAGE – POLLUTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

Paragraph f.(2) **Pollution**, Part 2. **Exclusions** of **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is deleted and replaced by the following:

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, re-

move, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDATORY ENDORSEMENT – PRODUCTS-
COMPLETED OPERATIONS HAZARD**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

The definition of "products-completed operations hazard" **Section V – Definitions** is amended by deleting item **16.b. (3)** and replacing it with:

- (3)** Products or operations for which the classification, listed in the Declarations, in a policy schedule or in our manual of rules, states that the products-completed operations are subject to the General Aggregate Limit.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

A. AMENDMENT OF DEFINITION OF PERSONAL AND ADVERTISING INJURY

The following replaces the definition of "personal and advertising injury" in the **DEFINITIONS** Section:

"Personal and advertising injury" means "personal injury" or "advertising injury".

B. AMENDMENT OF CONTRACTUAL LIABILITY EXCLUSION – EXCEPTION FOR DAMAGES BECAUSE OF PERSONAL INJURY ASSUMED BY NAMED INSURED IN AN INSURED CONTRACT

1. The following is added to Exclusion e., **Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

This exclusion also does not apply to liability for damages because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:

- (1) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
- (2) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

2. The following replaces the third sentence of

Paragraph 2. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**:

Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability or Paragraph 2.e. of Section I – Coverage B – Personal and Advertising Injury Liability, such payments will not be deemed to be damages because of "bodily injury", "property damage" or "personal injury", and will not reduce the limits of insurance.

3. The following replaces the first paragraph of Paragraph f. of the definition of "insured contract" in the **DEFINITIONS** Section:

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal injury" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

C. ADDITION OF ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION EXCLUSION

The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

Access Or Disclosure Of Confidential Or Personal Information

"Personal injury" or "advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

D. AMENDMENT OF OTHER EXCLUSIONS

1. The following replaces Exclusion b., **Material**

COMMERCIAL GENERAL LIABILITY

Published With Knowledge Of Falsity, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

b. Material Published With Knowledge Of Falsity

"Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

2. The following replaces Exclusion c., **Material Published Prior To Policy Period**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

c. Material Published Or Used Prior To Policy Period

- (1) "Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- (2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

3. The following replaces Exclusion f., **Breach Of Contract**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

f. Breach Of Contract

"Advertising injury" arising out of a breach of contract.

4. The following replaces Exclusion g., **Quality Or Performance of Goods – Failure To Conform To Statements**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

5. The following replaces Exclusion h., **Wrong Description Of Prices**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

h. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

6. The following replaces Exclusion i., **Infringement Of Copyright, Patent, Trademark, Or Trade Secret**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

i. Intellectual Property

"Personal injury" or "advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;
- (6) Trade secret; or
- (7) Other intellectual property rights or laws.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

7. The following replaces Exclusion j., **Insureds In Media And Internet Type Businesses**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

j. Insureds In Media And Internet Type Businesses

COMMERCIAL GENERAL LIABILITY

"Personal injury" or "advertising injury" arising out of an offense committed by an insured whose business is:

- (1) Advertising, "broadcasting" or publishing;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

This exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

- (1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
- (2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

8. The following replaces Paragraph (2) of Exclusion n., **Pollution-Related**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

- (2) Claim or suit by or on behalf of a governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

E. AMENDMENT OF WHO IS AN INSURED

The following replaces the introductory phrase of Paragraph 2.a.(1) of **SECTION II – WHO IS AN INSURED**:

- (1) "Bodily injury" or "personal injury":

F. AMENDMENT OF LIMITS OF INSURANCE

The following replaces Paragraph 4. of **SECTION III – LIMITS OF INSURANCE**:

Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all

"personal injury" and "advertising injury" sustained by any one person or organization.

G. ADDITIONAL DEFINITIONS

The following is added to the **DEFINITIONS** Section:

"Advertising injury":

- a. Means injury, other than "personal injury", caused by one or more of the following offenses:

- (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
- (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
- (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".

- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

"Broadcasting" means transmitting any audio or visual material for any purpose:

- a. By radio or television; or
- b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any of such programming.

"Personal injury":

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- a. Means injury, other than "advertising injury", caused by one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;

or

- (5) Oral or written publication, including publication by electronic means, of material that:

- (a) Appropriates a person's name, voice, photograph or likeness; or
- (b) Unreasonably places a person in a false light.

- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

"Slogan":

- a. Means a phrase that others use for the purpose of attracting attention in their advertising.
- b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

"Title" means a name of a literary or artistic work.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OTHER INSURANCE – ADDITIONAL INSUREDS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), Paragraph 4. (**Other Insurance**), is amended as follows:

1. The following is added to Paragraph a. Primary Insurance:

However, if you specifically agree in a written contract or written agreement that the insurance provided to an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with that other insurance, provided that:

- a.** The "bodily injury" or "property damage" for which coverage is sought occurs; and

- b.** The "personal injury" or "advertising injury" for which coverage is sought arises out of an offense committed

subsequent to the signing and execution of that contract or agreement by you.

- 2. The first Subparagraph (2) of Paragraph b. Excess Insurance** regarding any other primary insurance available to you is deleted.

- 3. The following is added to Paragraph b. Excess Insurance**, as an additional subparagraph under Subparagraph (1):

That is available to the insured when the insured is added as an additional insured under any other policy, including any umbrella or excess policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the **PROVISIONS** of this endorsement carefully to determine rights, duties, and what is and is not covered.

- | | |
|--|--|
| <ul style="list-style-type: none"> A. Broadened Named Insured B. Damage To Premises Rented To You Extension <ul style="list-style-type: none"> • Perils of fire, explosion, lightning, smoke, water • Limit increased to \$300,000 C. Blanket Waiver of Subrogation D. Blanket Additional Insured– Managers or Lessors of Premises E. Blanket Additional Insured – Lessor of leased Equipment F. Incidental Medical Malpractice G. Personal Injury – Assumed by Contract H. Extension of Coverage – Bodily Injury | <ul style="list-style-type: none"> I. Injury to Co-Employees and Co-Volunteer Workers J. Aircraft Chartered with Crew K. Non-Owned Watercraft – Increased from 25 feet to 50 feet L. Increased Supplementary Payments <ul style="list-style-type: none"> • Cost for bail bonds increased to \$2,500 • Loss of earnings increased to \$500 per day M. Knowledge and Notice of Occurrence or Offense N. Unintentional Omission O. Reasonable Force – Bodily Injury or Property Damage |
|--|--|

PROVISIONS

A. BROADENED NAMED INSURED

1. The Named Insured in Item 1. of the Declarations is as follows:
The person or organization named in Item 1. of the Declarations and any organization, other than a partnership or joint venture, over which you maintain ownership or majority interest on the effective date of the policy. However, coverage for any such organization will cease as of the date during the policy period that you no longer maintain ownership of, or majority interest in, such organization.
2. **WHO IS AN INSURED (Section II)** Item 4.a. is deleted and replaced by the following:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier, unless reported in writing to us within 180 days.
3. This Provision **A.** does not apply to any person or organization for which coverage is excluded by endorsement.

B. DAMAGE TO PREMISES RENTED TO YOU EXTENSION

1. The last paragraph of **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages)** is deleted and replaced by the following:
Exclusions c. through n. do not apply to damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:
 - a. Fire;
 - b. Explosion;
 - c. Lightning;
 - d. Smoke resulting from such fire, explosion, or lightning; or
 - e. Water.
 A separate limit of insurance applies to this coverage as described in **LIMITS OF INSURANCE (Section III)**.
2. This insurance does not apply to damage to premises while rented to you, or temporarily

COMMERCIAL GENERAL LIABILITY

occupied by you with permission of the owner, caused by:

- a. Rupture, bursting, or operation of pressure relief devices;
- b. Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water;
- c. Explosion of steam boilers, steam pipes, steam engines, or steam turbines.

3. Part 6. of LIMITS OF INSURANCE (Section II) is deleted and replaced by the following:

Subject to 5. above, the Damage To Premises Rented To You Limit is the most we will pay under COVERAGE A. for damages because of "property damage" to any one premises while rented to you, or temporarily occupied by you with permission of the owner, caused by fire, explosion, lightning, smoke resulting from such fire, explosion, or lightning, or water. The Damage To Premises Rented To You Limit will apply to all damage proximately caused by the same "occurrence", whether such damage results from fire, explosion, lightning, smoke resulting from such fire, explosion, or lightning, or water, or any combination of any of these.

The Damage To Premises Rented To You Limit will be the higher of:

- a. \$300,000; or
- b. The amount shown on the Declarations for Damage To Premises Rented To You Limit.

4. Under DEFINITIONS (Section V), Paragraph

a. of the definition of "insured contract" is amended so that it does not include that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you, or temporarily occupied by you with permission of the owner, caused by:

- a. Fire;
- b. Explosion;
- c. Lightning;
- d. Smoke resulting from such fire, explosion, or lightning; or
- e. Water.

5. This Provision B. does not apply if coverage for Damage To Premises Rented To You of

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is excluded by endorsement.

C. BLANKET WAIVER OF SUBROGATION

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of premises owned or occupied by or rented or loaned to you; ongoing operations performed by you or on your behalf, done under a contract with that person or organization; "your work"; or "your products". We waive this right where you have agreed to do so as part of a written contract, executed by you prior to loss.

D. BLANKET ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (referred to below as "additional insured") with whom you have agreed in a written contract, executed prior to loss, to name as an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of any premises leased to you, subject to the following provisions:

1. Limits of Insurance. The limits of insurance afforded to the additional insured shall be the limits which you agreed to provide, or the limits shown on the Declarations, whichever is less.
2. The insurance afforded to the additional insured does not apply to:
 - a. Any "occurrence" that takes place after you cease to be a tenant in that premises;
 - b. Any premises for which coverage is excluded by endorsement; or
 - c. Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.
3. The insurance afforded to the additional insured is excess over any valid and collectible insurance available to such additional insured, unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.

E. BLANKET ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

WHO IS AN INSURED (Section II) is amended to include as an insured any person or organization (referred to below as "additional insured") with

COMMERCIAL GENERAL LIABILITY

whom you have agreed in a written contract, executed prior to loss, to name as an additional insured, but only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such additional insured, subject to the following provisions:

1. Limits of Insurance. The limits of insurance afforded to the additional insured shall be the limits which you agreed to provide, or the limits shown on the Declarations, whichever is less.
2. The insurance afforded to the additional insured does not apply to:
 - a. Any "occurrence" that takes place after the equipment lease expires; or
 - b. "Bodily injury" or "property damage" arising out of the sole negligence of such additional insured.
3. The insurance afforded to the additional insured is excess over any valid and collectible insurance available to such additional insured, unless you have agreed in a written contract for this insurance to apply on a primary or contributory basis.

F. INCIDENTAL MEDICAL MALPRACTICE

1. The definition of "bodily injury" in DEFINITIONS (Section V) is amended to include "Incidental Medical Malpractice Injury".
2. The following definition is added to DEFINITIONS (Section V):

"Incidental medical malpractice injury" means bodily injury, mental anguish, sickness or disease sustained by a person, including death resulting from any of these at any time, arising out of the rendering of, or failure to render, the following services:

- a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages;
- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or
- c. First aid.
- d. "Good Samaritan services". As used in this Provision F., "Good Samaritan services" are those medical services rendered or provided in an emergency and

for which no remuneration is demanded or received.

3. Paragraph 2.a.(1)(d) of WHO IS AN INSURED (Section II) does not apply to any registered nurse, licensed practical nurse, emergency medical technician or paramedic employed by you, but only while performing the services described in paragraph 2. above and while acting within the scope of their employment by you. Any "employees" rendering "Good Samaritan services" will be deemed to be acting within the scope of their employment by you.

4. The following exclusion is added to paragraph 2. Exclusions of COVERAGE A. – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

(This insurance does not apply to:) Liability arising out of the willful violation of a penal statute or ordinance relating to the sale of pharmaceuticals by or with the knowledge or consent of the insured.

5. For the purposes of determining the applicable limits of insurance, any act or omission, together with all related acts or omissions in the furnishing of the services described in paragraph 2. above to any one person, will be considered one "occurrence".
6. This Provision F. does not apply if you are in the business or occupation of providing any of the services described in paragraph 2. above.
7. The insurance provided by this Provision F. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

G. PERSONAL INJURY – ASSUMED BY CONTRACT

1. The **Contractual Liability** Exclusion in Part 2., Exclusions of COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY (Section I – Coverages) is deleted and replaced by the following:

(This insurance does not apply to:)

Contractual Liability

"Advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for

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damages that the insured would have in the absence of the contract of agreement.

2. Subparagraph f. of the definition of "insured contract" (DEFINITIONS – Section V) is deleted and replaced by the following:

- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury," "property damage" or "personal injury" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

3. This Provision G. does not apply if **COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY** is excluded by endorsement.

H. EXTENSION OF COVERAGE – BODILY INJURY

The definition of "bodily injury" (DEFINITIONS – Section V) is deleted and replaced by the following:

"Bodily injury" means bodily injury, mental anguish, mental injury, shock, fright, disability, humiliation, sickness or disease sustained by a person, including death resulting from any of these at any time.

I. INJURY TO CO-EMPLOYEES AND CO-VOLUNTEER WORKERS

1. Your "employees" are insureds with respect to "bodily injury" to a co-"employee" in the course of the co-"employee's" employment by you, or to your "volunteer workers" while performing duties related to the conduct of your business, provided that this coverage for your "employees" does not apply to acts outside the scope of their employment by you or while performing duties unrelated to the conduct of your business.
2. Your "volunteer workers" are insureds with respect to "bodily injury" to a co-"volunteer worker" while performing duties related to the conduct of your business, or to your "employees" in the course of the "employee's" employment by you, provided that this coverage for your "volunteer workers" does not apply while performing duties unrelated to the conduct of your business.

3. Subparagraphs 2.a.(1)(a), (b) and (c) and 3.a. of WHO IS AN INSURED (Section II) do not apply to "bodily injury" for which insurance is provided by paragraph 1. or 2. above.

J. AIRCRAFT CHARTERED WITH CREW

1. The following is added to the exceptions contained in the **Aircraft, Auto Or Watercraft Exclusion** in Part 2., **Exclusions of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** (Section I – Coverages):
(This exclusion does not apply to:) Aircraft chartered with crew to any insured.
2. This Provision J. does not apply if the chartered aircraft is owned by any insured.
3. The insurance provided by this Provision J. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

K. NON-OWNED WATERCRAFT

1. The exception contained in Subparagraph (2) of the **Aircraft, Auto Or Watercraft Exclusion** in Part 2., **Exclusions of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY** (Section I – Coverages) is deleted and replaced by the following:
(2) A watercraft you do not own that is:
 - (a) Fifty feet long or less; and
 - (b) Not being used to carry persons or property for a charge;
2. This Provision K. applies to any person who, with your expressed or implied consent, either uses or is responsible for the use of a watercraft.
3. The insurance provided by this Provision K. shall be excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, except for insurance purchased specifically by you to be excess of this policy.

L. INCREASED SUPPLEMENTARY PAYMENTS

Parts b. and d. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** (Section I – Coverages) are amended as follows:

1. In Part b. the amount we will pay for the cost of bail bonds is increased to \$2500.



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2. In Part d. the amount we will pay for loss of earnings is increased to \$500 a day.

M. KNOWLEDGE AND NOTICE OF OCCURRENCE OR OFFENSE

1. The following is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), paragraph 2. (Duties In The Event of Occurrence, Offense, Claim or Suit):

Notice of an "occurrence" or of an offense which may result in a claim under this insurance shall be given as soon as practicable after knowledge of the "occurrence" or offense has been reported to any insured listed under Paragraph 1. of Section II – Who Is An Insured or an "employee" (such as an insurance, loss control or risk manager or administrator) designated by you to give such notice.

Knowledge by other "employee(s)" of an "occurrence" or of an offense does not imply that you also have such knowledge.

2. Notice shall be deemed prompt if given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us as soon as practicable after any insured listed under Paragraph 1. of Section II – Who Is An Insured or an "employee" (such as an insurance, loss control or risk manager or administrator) designated by you to give such notice discovers that the "occurrence", offense or claim may involve this policy.
3. However, this Provision M. does not apply as respects the specific number of days within

which you are required to notify us in writing of the abrupt commencement of a discharge, release or escape of "pollutants" which causes "bodily injury" or "property damage" which may otherwise be covered under this policy.

N. UNINTENTIONAL OMISSION

The following is added to COMMERCIAL GENERAL LIABILITY CONDITIONS (Section IV), paragraph 6. (Representations):

The unintentional omission of, or unintentional error in, any information provided by you shall not prejudice your rights under this insurance. However, this Provision N. does not affect our right to collect additional premium or to exercise our right of cancellation or nonrenewal in accordance with applicable state insurance laws, codes or regulations.

O. REASONABLE FORCE – BODILY INJURY OR PROPERTY DAMAGE

The **Expected Or Intended Injury** Exclusion in Part 2., **Exclusions** of COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages) is deleted and replaced by the following:

(This insurance does not apply to:)

Expected or Intended Injury or Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT – NON CUMULATION OF EACH
OCCURRENCE LIMIT OF LIABILITY and
NON CUMULATION OF PERSONAL and ADVERTISING
INJURY LIMIT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. Paragraph 5 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:
Non cumulation of Each Occurrence Limit - If one "occurrence" causes "bodily injury" and/or "property damage" during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Each Occurrence Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence".
2. Paragraph 4 of SECTION III – LIMITS OF INSURANCE, is amended to include the following:
Non cumulation of Personal and Advertising Limit – If "personal injury" and/or "advertising injury" is sustained by any one person or organization during the policy period and during the policy period of one or more prior and/or future policies that include a commercial general liability coverage part for the insured issued by us or any affiliated insurance company, the amount we will pay is limited. This policy's Personal Injury and Advertising Injury Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "personal injury" and/or "advertising injury".



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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF COVERAGE – POLLUTION – COOLING,
DEHUMIDIFYING AND WATER HEATING EQUIPMENT
EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

The following replaces Paragraph (1)(a)(i) of Exclusion f., ~~Pollution~~, in Paragraph 2. of **SECTION I – COVER-
AGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

POLICY NUMBER: 680-6G72410A-15-42

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ISSUE DATE: 12/17/2015**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****HIRED AUTO AND NONOWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

COVERAGE	ADDITIONAL PREMIUM
Hired Auto Liability	\$ INCLUDED
Nonowned Auto Liability	\$ INCLUDED

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

PROVISIONS**A. COVERAGE**

If a premium charge is shown in the SCHEDULE above, the insurance provided under **Section I – Coverage A – Bodily Injury And Property Damage Liability** applies to "bodily injury" and "property damage" arising out of the maintenance or use of a "hired auto" or "nonowned auto". Maintenance or use of a "nonowned auto" includes test driving in connection with an "auto business".

B. EXCLUSIONS

With respect to the insurance provided by this endorsement:

1. The exclusions, under **Section I – Coverage A – Bodily Injury And Property Damage Liability**, other than exclusions a., b., d., e., f. and i. and the Nuclear Energy Liability Exclusion (Broad Form) are deleted and replaced by the following:

- a. "Bodily injury" to:
 - (1) Any fellow "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business.
- b. "Property damage" to:
 - (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.

C. WHO IS AN INSURED

Section II – Who Is An Insured is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "nonowned auto" except:
 - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "nonowned auto" or any agent or "employee" of any such owner or lessee;
 - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
 - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;

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- f. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - g. Anyone other than your "employees", partners, a lessee or borrower or any of their "employees", while moving property to or from a "hired auto" or a "nonowned auto"; or
3. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1. or 2. above.

D. AMENDED DEFINITIONS

The Definition of "insured contract" of **Section V – Definitions** is amended by the addition of the following exceptions to paragraph f.:

Paragraph f. does not include that part of any contract or agreement:

- (4) That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
- (5) That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

E. ADDITIONAL DEFINITIONS

Section V – Definitions is amended by the addition of the following definitions:

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include:
 - a. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - b. Any "auto" you lease, hire, rent or borrow from any of your "employees", partners, stockholders, or members of their households.
- 3. "Nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of an "occurrence". This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of an "occurrence".

If you are a sole proprietor, "nonowned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of an "occurrence".

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF COVERAGE – PROPERTY DAMAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART

PROVISIONS

The definition of "property damage" in **SECTION V – DEFINITIONS** is deleted in its entirety and replaced by the following:

"Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed

to occur at the time of the "occurrence" that caused it.

"Property damage" does not include loss of or damage to "electronic media and records".

As used in this definition, "electronic media and records" means:

- a. Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- b. Data stored on such media; or
- c. Programming records for electronic data processing or electronically controlled equipment.



COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

This insurance does not apply to:

"Bodily injury" to:

(1) A person arising out of any:

- (a) Refusal to employ that person;**
- (b) Termination of that person's employment; or**
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or**

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and**
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.**

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal injury" to:

(1) A person arising out of any:

- (a) Refusal to employ that person;**
- (b) Termination of that person's employment; or**
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or**

(2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and**
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.**

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNSOLICITED COMMUNICATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Unsolicited Communication

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES –**

COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY:

Unsolicited Communication

"Personal injury" or "advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

3. The following is added to the **DEFINITIONS** Section:

"Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MOBILE EQUIPMENT REDEFINED – EXCLUSION OF VEHICLES SUBJECT TO MOTOR VEHICLE LAWS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following replaces Paragraph (5) of Exclusion g., **Aircraft, Auto Or Watercraft**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:
 - (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged; or
 - (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".
2. The following replaces the definition of "auto" in the **DEFINITIONS** Section:
 2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged.However, "auto" does not include "mobile equipment".
 3. The following is added as to the definition of "mobile equipment" in the **DEFINITIONS** Section:

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".
 4. Paragraph 3. of **SECTION II – WHO IS AN INSURED** is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF CONTRACTUAL LIABILITY EXCLUSION – EXCEPTION FOR DAMAGES ASSUMED IN AN INSURED CONTRACT APPLIES ONLY TO NAMED INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following replaces Paragraph (2) of Exclusion b., **Contractual Liability**, in Paragraph 2. of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:
 - (2) Assumed by you in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.
2. The following replaces the beginning of Paragraph 2., and Paragraphs 2.a., b., c., d. and e., of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:
 2. If we defend you against a "suit" and your indemnitee is also named as a party to the "suit", we will have the right and duty to defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which you have assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by you;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by you in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that we determine that no conflict exists between your interests and the interests of the indemnitee;
 - e. You and the indemnitee ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend you and the indemnitee; and
3. The following replaces the last sentence of Paragraph 2. of **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B** of **SECTION I – COVERAGES**:

Our obligation to defend your indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

 - a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
 - b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VIOLATION OF CONSUMER FINANCIAL PROTECTION LAWS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

1. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Violation Of Consumer Financial Protection Laws

"Bodily injury" or "property damage" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury" or "property damage" alleged in any claim or "suit" that also alleges any such violation.

2. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**:

Violation Of Consumer Financial Protection Laws

"Personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

3. The following is added to the **DEFINITIONS** Section:

"Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment, or for the purpose of conducting a business transaction:

- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account.
- b. Information bearing on a person's credit worthiness, credit standing or credit capacity.
- c. Social security number.
- d. Drivers license number.
- e. Birth date.

"Consumer financial protection law" means:

- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
- b. California's Song-Beverly Credit Card Act and any of its amendments; or
- c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGES – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.



COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION—DISCRIMINATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

- 1. COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY–** is amended by adding the following additional exclusion:
(This Insurance does not apply to:)
“Bodily injury” resulting from or as a consequence of discrimination, whether intentional or unintentional, based upon a person's sex, sexual preference, marital status, race, creed, religion, national origin, age, physical capabilities, characteristics or condition, or mental capabilities or condition.
- 2. COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY–** is amended by adding the following additional exclusion:
(This insurance does not apply to:)
“Personal injury” resulting from or as a consequence of discrimination, whether intentional or unintentional, based upon a person's sex, sexual preference, marital status, race, creed, religion, national origin, age, physical capabilities, characteristics or condition, or mental capabilities or condition.

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION—TOBACCO

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of or related in any way to the sale, manufacture, handling, distribution, marketing, consumption, ingestion or use of, or exposure to, any tobacco or tobacco product.

Without limiting their meaning, the words tobacco or tobacco product, include: (a) raw or cured tobacco, cigarettes and cigarette paper, cigarette filters, cigars and cigar wrappers, pipe tobacco, snuff, chewing tobacco, smokeless tobacco, tobacco smoke or particles of tobacco; (b) any material substance, ingredient or element used in or as part of any tobacco or tobacco product; (c) any product which is

comprised of, in whole or in part, any tobacco or tobacco product; (d) any wrappers, tips, filters or other parts of tobacco or tobacco products; (e) any material, substance, ingredient or element or their residues, sprayed on, applied to or found within any tobacco or tobacco product; (f) any smoke, fumes, gas or other compound arising out of any tobacco or tobacco product; and (g) any warnings, instructions or representations at any time, or the failure to provide them, with respect to any tobacco or tobacco product.

This exclusion applies to all "bodily injury" or "property damage", whether or not such "bodily injury" or "property damage" is included in the "products-completed operations hazard".



COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – WAR

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion i. under Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:**
- 2. Exclusions:**
- This insurance does not apply to:
- i. War**
- "Bodily injury" or "property damage" arising, directly or indirectly, out of:
- (1) War, including undeclared or civil war; or**
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or**
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these**
- regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.
- B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**
- 2. Exclusions:**
- This insurance does not apply to:
- War**
- "Personal injury" or "advertising injury" arising, directly or indirectly, out of:
- (1) War, including undeclared or civil war; or**
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or**
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these**
- regardless of any other cause or event that contributes concurrently or in any sequence to the injury.

EXCLUSION – ASBESTOS

- a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- b. Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.



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One Tower Square, Hartford, Connecticut 06183

**CYBERFIRST ESSENTIALS
COVERAGE PART DECLARATIONS**

**POLICY NO.: 680-6G72410A-15-42
ISSUE DATE: 12-17-15**

THIS COVERAGE IS PROVIDED ON A CLAIMS-MADE BASIS. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN ADDITION TO, THE LIMITS OF INSURANCE.

INSURING COMPANY: TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

**Policy Period: From 12-17-15 to 12-17-16 12:01 A.M. Standard Time at your mailing address
shown in the Common Policy Declarations.**

Information Security Retroactive Date: 12-17-15

The CyberFirst Essentials Coverage Part consists of these Declarations, the CyberFirst Essentials General Provisions Form and the Coverage Form shown below.

- ITEM 1. COVERAGE**
CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM
- ITEM 2. LIMITS OF INSURANCE:**
- | | |
|-------------------------|-----------|
| Aggregate Limit | \$ 25,000 |
| Each Wrongful Act Limit | \$ 25,000 |
- ITEM 3. DEDUCTIBLE:**
- | | |
|------------------------------|------|
| Each Wrongful Act Deductible | \$ 0 |
|------------------------------|------|
- ITEM 4. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.**

CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM

THIS FORM APPLIES TO EACH OF YOUR CYBER LIABILITY COVERAGE FORMS THAT ARE PART OF YOUR POLICY. EACH OF THOSE COVERAGE FORMS APPLIES ON A CLAIMS-MADE BASIS. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN ADDITION TO, THE LIMITS OF INSURANCE. PAYMENT OF DEFENSE EXPENSES WILL REDUCE THE LIMITS OF INSURANCE. PLEASE READ THE ENTIRE FORM CAREFULLY.

This form contains provisions that apply to each of "your cyber liability coverage forms". Various provisions in this form and "your cyber liability coverage forms" restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Common Policy Declarations, and any other person or organization qualifying as a Named Insured under this insurance. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VII – Definitions. Some words and phrases that appear in quotation marks in this form are defined in Section II – Definitions of "your cyber liability coverage forms". Each term with a defined meaning shown in "your cyber liability coverage forms", when used in this form, will have the defined meaning shown for that term in "your cyber liability coverage forms".

SECTION I – COVERAGE

1. Defense Of Claims Or Suits

- a. We will have the right and duty to defend the insured against any "claim" or "suit" seeking "damages" for loss to which the insurance provided under one or more of "your cyber liability coverage forms" applies, if no provider of other insurance has a duty to defend the insured against that "claim" or "suit". However, we will have no duty to defend the insured against any "claim" or "suit" seeking "damages" for loss to which the insurance provided under "your cyber liability coverage forms" does not apply.

When we defend a "claim" or "suit" against an insured, we will pay reasonable "defense expenses". Payment of such "defense expenses" will reduce the Limits of Insurance.

We may, at our discretion, investigate any "wrongful act" or "claim" and settle any "claim" or "suit". But our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".

If we notify you that we are willing to pay the amount of a proposed settlement of a "claim" or "suit" and you do not consent to that proposed settlement, in the event of any later settlement or judgment in which the insured incurs "damages" for such "claim" or "suit", the most we will pay for the combined total of "damages" and "defense expenses" incurred for such "claim" or "suit" after the date you refused to give us such consent will be the amount of "damages" we were willing to pay for the proposed settlement.

- b. We will have the right, but not the duty, to defend your indemnitee as if it were an insured under Paragraph a. above if all of the following conditions are met:
 - (1) The "claim" or "suit" against the indemnitee seeks "damages" for loss for which you are obligated to pay by reason of the assumption of that indemnitee's liability in a contract or agreement that was made before the "wrongful act", including any part of "related wrongful acts", that caused such loss was known by any "described authorized person";
 - (2) The insurance provided under one or more of "your cyber liability coverage forms" applies to such liability assumed by you; and
 - (3) The obligation to defend, or the cost of the defense of, the indemnitee, has also been assumed by you in the same contract or agreement.

When we defend a "claim" or "suit" against your indemnitee, we will pay reasonable "defense expenses". Payment of such "defense

CYBER LIABILITY

expenses" will reduce the applicable limit of insurance.

- c. We will have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under Supplementary Payments or under "your cyber liability coverage forms".

2. Supplementary Payments

We will pay, with respect to any "claim" we are investigating, any "claim" or "suit" we settle or any "claim" or "suit" against an insured we are defending:

- a. All expenses, other than "defense expenses", we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We will not be the principal under these bonds, and we do not have to furnish these bonds.
- c. All reasonable expenses incurred at our request by the insured, who is an individual, to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings of up to \$1,000 a day by that individual because of time off from work.
- d. All costs taxed against the insured in the "suit", but only for that part of the judgment we pay.
- e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of insurance. If we do not pay part of the judgment for any reason other than it is more than the applicable limit of insurance, we will not pay any interest that accrues on that portion of the judgment.
- g. The cost of any required appeal bond for any judgment that we appeal, but only for bond amounts for that part of the judgment that is for "damages" to which one or more of "your cyber liability coverage forms" apply and which are within the applicable limit of insurance. We will pay, or reimburse the insured

for, the cost of a higher appeal bond amount if we are required to do so under the law that applies. We will not be the principal under any appeal bond, and we do not have to furnish any appeal bond.

These payments will not reduce the limits of insurance.

Our duty to make such payments ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".

3. Exclusions Applying To All Of Your Cyber Liability Coverage Forms

The following exclusions apply to all coverages provided under "your cyber liability coverage forms". These exclusions are in addition to the exclusions contained in each such coverage form and that apply only to the coverage provided under such coverage form.

The insurance provided under "your cyber liability coverage forms" does not apply to:

- a. **Advertising Injury Or Personal Injury**
"Advertising injury" or "personal injury".
- b. **Aircraft Products Or Work**
Loss arising out of:
 - (1) Any "aircraft product" provided to others;
 - (2) Any "aircraft work" provided or performed for others; or
 - (3) The "grounding" of any aircraft.
- c. **Claims Or Suits By Certain Persons Or Organizations**
Loss for which a "claim" is made or "suit" is brought by or on behalf of any "controlled organization" or "controlling person or organization".
- d. **Contractual Liability**
Loss for which the insured is obligated to pay "damages" by reason of the assumption of liability in a contract or agreement that was made after the "wrongful act", including any part of "related wrongful acts", that caused such loss was known by any "described authorized person".

This exclusion does not apply to loss for which the insured would have liability for "damages" without the contract or agreement.

e. Criminal, Dishonest, Fraudulent, Or Malicious Wrongful Acts Or Knowing Violations Of Rights Or Laws

Loss arising out of any criminal, dishonest, fraudulent, or malicious "wrongful act", or any knowing violation of rights or laws, committed:

- (1) By the insured; or
- (2) With the consent or knowledge of the insured.

This exclusion does not apply to our duty to defend that insured until it has been determined or admitted in a legal proceeding that such "wrongful act" or knowing violation was committed:

- (1) By the insured; or
- (2) With the consent or knowledge of that insured.

f. Electrical Or Mechanical Interruption Or Failure

Loss arising out of an "electrical or mechanical interruption or failure".

This exclusion does not apply if such "electrical or mechanical interruption or failure" was caused by you.

g. Employment-Related Practices

Loss to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The "spouse", child, parent, brother or sister of that person as a consequence of loss to that person at whom any of the employment-related practices described in Paragraph (1) above is directed.

This exclusion applies:

- (1) Whether the insured may be held liable as an employer or in any other capacity; and
- (2) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the loss.

h. Force Majeure

Loss arising out of fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail or act of God.

i. Government Demands Or Proceedings

Any demand made or proceeding brought by:

- (1) The Federal Trade Commission;
- (2) The Federal Communications Commission; or
- (3) Any other federal, national, state, local, or foreign government, agency, or entity.

This exclusion does not apply to any "claim" made or "suit" brought by or on behalf of a federal, national, state, local, or foreign government, agency, or entity in its capacity as your customer.

j. Injunctive Relief

Any loss, cost or expense arising out of complying with any injunctive or other non-monetary relief or any agreement to provide such relief.

k. Known Wrongful Acts

Loss arising out of any "wrongful act", including any part of "related wrongful acts", that any "described authorized person" knew about before the first date we or any of our affiliated insurance companies have continuously provided this or similar coverage to you.

l. Nuclear Energy

Loss arising out of the "hazardous properties" of "nuclear material".

m. Professional Services

Loss arising out of the providing or failing to provide professional services by or on behalf of the insured while acting or working as any of the following:

- (1) Accountant;
- (2) Architect or surveyor;
- (3) Lawyer;
- (4) Insurance agent, broker, company, consultant or representative;
- (5) Real estate agent or broker; or
- (6) Civil or structural engineer.

This insurance also does not apply to loss arising out of the providing or failing to pro-



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vide professional health care services by or on behalf of the insured.

n. Pollution

- (1) Loss arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. Unsolicited Communications

Loss arising out of any "unsolicited communication" by or on behalf of any insured.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Common Policy Declarations as:
 - a. An individual, you and your "spouse" are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your partners or your members, and their "spouses", are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are also insureds, but only with respect to their duties as your managers.
 - d. A public entity, you are an insured. "Your boards" are also insureds. Your lawfully elected or appointed officials, "executive officers", or directors are also insureds, but only with respect to their duties as your elected or appointed officials, "executive officers", or directors.
 - e. An organization other than a partnership, joint venture, limited liability company or public entity, you are an insured. Your "executive officers" and directors are also insureds, but only with respect to their duties as your "executive officers" or directors. Your stockholders are also insureds, but only with respect to their liability as your stockholders.
2. Each of the following is also an insured:
 - a. Your "volunteer workers", but only while performing duties related to the conduct of your business, and your "employees", other than either your managers (if you are a limited liability company) or your "executive officers" (if you are an organization other than a partnership, joint venture, limited liability company or public entity), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
 - b. Your legal representative if you die, become mentally incompetent, insolvent or bankrupt, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
 - c. Members of "your boards" (if you are a public entity), but only for the conduct of their duties for you or for "your boards". "Employees" of "your boards" are also insureds, but only for work done within the scope of their employment by "your boards", or their performance of duties related to the conduct of the operations of "your boards".
3. Any organization you newly acquire or form, other than a partnership or joint venture, that has:
 - a. Gross revenue less than or equal to 10% of your gross revenue at the time of such acquisition or formation will qualify as a Named Insured if there is no other insurance which provides similar coverage to that organization;
 - b. Gross revenue greater than 10% of your gross revenue at the time of such acquisition or formation will qualify as a Named Insured if there is no other insurance which provides similar coverage to that organization. However coverage under this provision is provided only:
 - (1) Until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier, if you do not report such organization in writing to us within 90 days after you acquire or form it; or

- (2) Until the end of the policy period, when that date is later than 90 days after you acquire or form such organization, if you report such organization in writing to us within 90 days after you acquire or form it and we agree in writing that it will continue to be a Named Insured until the end of the policy period.

Coverage under paragraphs 3.a. and 3.b. above does not apply to loss caused by a "wrongful act" committed by or on behalf of such organization before you acquired or formed it, unless we agree in writing to cover such loss.

4. Any person or organization that is not otherwise an insured under this Coverage Part and that you have agreed in a written contract or agreement to include as an additional insured under this Coverage Part is an insured, but only with respect to liability for loss to which one or more of "your cyber liability coverage forms" applies that:
- Is caused by a "wrongful act" committed after you have signed and executed that contract or agreement; and
 - Is caused, in whole or in part, by acts or omissions of you, or any person or organization acting on your behalf, under that contract or agreement.

The limits of insurance provided to such person or organization will be the limits which you agreed to provide in the written contract or agreement, or the limits shown in the Declarations of this Coverage Part, whichever are less.

5. Any of your subsidiaries, other than a partnership or joint venture, that is not shown as a Named Insured in the Common Policy Declarations is a Named Insured if:
- You maintain an ownership interest of more than 50% in such subsidiary on the first day of the policy period; and
 - Such subsidiary is not an insured under similar other insurance.
- No such subsidiary is an insured for loss caused by a "wrongful act" committed:
- Before you maintained an ownership interest of more than 50% in such subsidiary; or
 - After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

6. No person or organization is an insured with respect to the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Common Policy Declara-

tions. This paragraph does not apply to any such partnership or joint venture that otherwise qualifies as an insured under Section II – Who Is An Insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations of this Coverage Part and the rules below fix the most we will pay regardless of the number of:
- Insureds;
 - "Claims" made or "suits" brought; or
 - Persons or organizations making "claims" or bringing "suits".

The Limits of Insurance will not be reduced by the payment of any applicable deductible.

2. The Aggregate Limit is the most we will pay for the sum of all "damages" and "defense expenses" for the combined total of all "claims" or "suits" for loss to which the insurance provided under one or more of "your cyber liability coverage forms" applies.

If no amount is shown for the Aggregate Limit in the Declarations of this Coverage Part, the Aggregate Limit will be the higher of the Each Wrongful Act Limit or \$25,000.

3. Subject to Paragraph 2. above, the Each Wrongful Act Limit is the most we will pay for the sum of all "damages" and "defense expenses" for all "claims" or "suits" for loss:
- To which the insurance provided under one or more of "your cyber liability coverage forms" applies; and
 - That is caused by the same "wrongful act" or "related wrongful acts".
4. When any of "your cyber liability coverage forms" and any other policy or insuring clause in a coverage form or bond written by us or any of our affiliated insurance companies and issued to you or any "controlled organization" or "controlling person or organization" apply or applied to the same "claim" or "suit", the most we will pay for "damages" and "defense expenses" is the highest limit of insurance that applies or applied to the same "claim" or "suit" under any one of those policies or clauses.

This paragraph does not apply to umbrella insurance, or excess insurance, written by us or any of our affiliated insurance companies and issued to you or any "controlled organization" or "controlling person or organization" specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

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SECTION IV – DEDUCTIBLE

1. The Each Wrongful Act Deductible shown in the Declarations of this Coverage Part and the rules below fix the amount of "damages" and "defense expenses" incurred by, or on behalf of, you or any insured that you will be responsible for paying, regardless of the number of:

- a. Insureds;
- b. "Claims" made or "suits" brought; or
- c. Persons or organizations making "claims" or bringing "suits".

The Each Wrongful Act Deductible does not apply to payments we make under Supplementary Payments.

2. The Each Wrongful Act Deductible applies to all "damages" and "defense expenses" for all "claims" or "suits" for loss:

- a. To which the insurance provided under one or more of "your cyber liability coverage forms" applies; and
- b. That is caused by the same "wrongful act" or "related wrongful acts".

3. The Limits of Insurance will not be reduced by the amount of any "damages" or "defense expenses" within the deductible amount.

4. The terms of this Coverage Part, including those with respect to:

- a. Our right and duty with respect to the defense of "claims" or "suits"; and
- b. Your duties in the event of a "wrongful act", "claim" or "suit";

apply irrespective of the application of the deductible amount.

5. If we settle a "claim" or "suit" for "damages", or pay a judgment for "damages" awarded in a "suit", that are subject to a deductible, we may pay any part or all of the deductible amount. You will promptly reimburse us for such part of the deductible amount as we have paid.

6. If we pay "defense expenses" that are subject to a deductible, you will promptly reimburse us for such part of the deductible amount as we have paid.

7. If you do not reimburse us for a deductible amount that applies to "damages" or "defense expenses", and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:

- a. "Our deductible recovery expenses"; and

- b. Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

SECTION V – CYBER LIABILITY CONDITIONS**1. Bankruptcy**

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of A Wrongful Act, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a "claim" or "suit". To the extent possible, notice should include:

- (1) How, when and where the "wrongful act" was committed;
- (2) The nature and location of any loss caused by the "wrongful act";
- (3) The names and addresses of any persons or organizations sustaining such loss, and the names and addresses of any witnesses; and
- (4) The names and addresses of each insured that committed the "wrongful act".

- b. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us in writing of the "claim" or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, defense or settlement of the "claim" or "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of loss to which the insurance provided under any of "your cyber liability coverage forms" may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume

any obligation, or incur any expense without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for "damages" from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured, but we will not be liable for "damages" that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. As used in this provision, an agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

- a. The insurance provided under "your cyber liability coverage forms" is excess over any valid and collectible other insurance that is available to the insured for a loss we cover under this Coverage Part, whether such other insurance is primary, excess, contingent or on any other basis.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (1) Another insurance company;
- (2) Any risk retention group;
- (3) Any self-insurance method or program, including any failure to buy insurance, or decision to not buy insurance, for any reason, in which case the insured will be deemed to be the provider of other insurance; or
- (4) Any similar risk transfer or risk management method.

Other insurance does not include umbrella insurance, or excess insurance, that you bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

- b. We will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all such other insurance.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. The premium shown in the Common Policy Declarations may be an advance premium. If it is an advance premium, your policy will contain an endorsement that shows when and how we will compute your earned premium.

If the earned premium is greater than the advance premium, we will send a bill to the first Named Insured shown in the Common Policy Declarations. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the earned premium is less than the advance premium, we will return the excess to the first Named Insured. However, if the earned premium is less than the minimum premium we are allowed to charge, your premium will never be less than such minimum premium.

- c. If the premium is an advance premium, the first Named Insured shown in the Common Policy Declarations must keep records of the information we need for premium computation and must send us copies of those records at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this

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Coverage Part to the first Named Insured shown in the Common Policy Declarations, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a "claim" is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover from others all or part of any payment we have made under this Coverage Part in connection with a "claim" or "suit", those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or initiate an alternative dispute resolution proceeding to enforce those rights, or will transfer those rights to us and help us enforce them.

We will apply any amounts recovered in enforcing those rights of recovery in the following order:

- a. First, we will reimburse any person or organization (including us or the insured) any amount that person or organization has paid in excess of the limits of insurance.
- b. Next, if there is any amount remaining, we will retain an amount equal to the amount we have paid under this Coverage Part in connection with the "claim" or "suit".
- c. Then, if there is any amount remaining, we will pay that amount to the insured, including any amounts within any applicable deductible or self-insured retention.

If any amounts are recovered in enforcing those rights of recovery, reasonable expenses incurred in enforcing such rights will be shared among all persons or organizations receiving amounts recovered. Each such person's or organization's share of those expenses is based on the ratio of its amount recovered to the total amounts recovered by all such persons or organizations in enforcing such rights.

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of loss caused by a "wrongful act" committed subsequent to the execution of the contract or agreement.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured

shown in the Common Policy Declarations written notice of the nonrenewal not less than 30 days before the end of the policy period.

If such notice is mailed, proof of mailing will be sufficient proof of such notice.

10. Transfer Of Control Of Defense

Before the applicable limit of insurance is used up, you may take over control of the defense, including the appeal, of any outstanding "claim" or "suit" previously reported to us if:

- a. We and you agree; or
- b. A court orders you to do so.

If the applicable limit of insurance is used up, we will notify you as soon as practicable of all outstanding "claims" or "suits", so you can arrange to take over control of their defense.

We agree to take whatever steps are necessary during a transfer of control of defense of an outstanding "claim" or "suit" to continue that defense and avoid a default judgment during such transfer. When we take such steps, you agree that we do not waive or give up any of our rights. You also agree to repay the reasonable expenses we incur for such steps taken after the applicable limit of insurance is used up.

11. When We Are Prohibited From Defending An Insured

If the laws or regulations of a country or jurisdiction prohibit us from fulfilling our duty to defend an insured, the insured will be responsible for providing that defense. We will repay that insured for the reasonable "defense expenses" incurred to provide such defense. Such payments will reduce the Limits of Insurance. Our duty to make such payments ends when we have used up the applicable limit of insurance in the payment of judgments, settlements or "defense expenses".

12. When We Are Prohibited From Paying Damages On Behalf Of An Insured

If the laws or regulations of a country or jurisdiction prohibit us from paying, on behalf of an insured, amounts that the insured must pay as "damages" for loss to which the insurance provided under one or more of "your cyber liability coverage forms" applies, the insured may pay such "damages" with our consent.

If the insured gives us proof of such payments, we will repay the insured for such "damages". But we will only repay the insured for such "damages" up to the applicable limit of insurance.

13. When We Are Prohibited From Paying Supplementary Payments

If the laws or regulations of a country or jurisdiction prohibit us from paying a Supplementary Payment on behalf of an insured, we will repay the insured for such Supplementary Payment that the insured incurs.

14. Currency

Payments for "damages", "defense expenses" and Supplementary Payments will be in the currency of the United States of America. At our sole option, we may make these payments in a different currency. Any necessary currency conversion for the payment of "damages" will be calculated based on the rate of exchange published in the next Wall Street Journal subsequent to the date of judgment or settlement. Any necessary currency conversion for the payment of "defense expenses" or Supplementary Payments will be calculated based on the rate of exchange published in the Wall Street Journal immediately preceding the date the payment is processed.

15. Limitations On Our Representations And Responsibility

It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

SECTION VI – EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if this Coverage Part is cancelled or not renewed, or replaced or renewed by us with insurance that applies on other than a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" or "suits" for loss caused by a "wrongful act" committed on or after the applicable Retroactive Date shown in the Declarations of this Coverage Part and before the end of the policy period.

The Extended Reporting Periods do not reinstate or increase the limits of insurance. Once in effect, Extended Reporting Periods may not be canceled.

3. A Basic Extended Reporting Period automatically applies to "your cyber liability coverage forms" without additional charge. This period starts with the end of the policy period and lasts for 90 days.

The Basic Extended Reporting Period does not apply to "claims" or "suits" that are covered under any future insurance you purchase, or that would be covered under such insurance but for the exhaustion of its applicable limit of insurance.

4. A Supplemental Extended Reporting Period of unlimited duration is available if this Coverage Part is canceled or not renewed, but only by an endorsement and for an extra charge. This supplemental period replaces the Basic Extended Reporting Period.

The Supplemental Extended Reporting Period will not go into effect unless we receive all of the following within 90 days after the end of the policy period and you have fulfilled all other duties, and complied with all other conditions and requirements, under this Coverage Part:

- a. A written request from you to purchase the Supplemental Extended Reporting Period Endorsement;
- b. Full payment of the earned premium for all of "your cyber liability coverage forms";
- c. Payment of the additional premium for the Supplemental Extended Reporting Period Endorsement; and
- d. Repayment of any deductible you owe us under this Coverage Part.

We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium will not exceed 200% of the annual premium for this Coverage Part.

This endorsement will set forth the terms, not inconsistent with this Section VI – Extended Reporting Periods, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" or "suits" first made or brought against any insured during such period is excess over any valid and collectible other insurance available under insurance in force after the Supplemental Extended Reporting Period starts.

SECTION VII – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

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- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an "advertisement".
- 2. "Advertising injury" means injury, other than "personal injury", caused by one or more of the following offenses:
 - a. Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the "claim" is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - b. Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (1) Appropriates a person's name, voice, photograph or likeness;
 - (2) Unreasonably places a person in a false light; or
 - (3) Discloses information about a person's private life; or
 - c. Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the "claim" is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
- 3. "Aircraft product" means:
 - a. Aircraft, including missile, balloon or spacecraft, and any ground support or control equipment used in connection with any aircraft, missile, balloon or spacecraft;
 - b. Any of "your technology products or services" manufactured for, used in connection with, or incorporated into aircraft, aircraft parts, aircraft equipment or aircraft accessories, including ground handling tools and equipment;
 - c. Any of "your technology products or services" used for the purpose of guidance, navigation or direction of aircraft whether an aircraft is in flight or on the ground; or
 - d. Training aids, navigation charts, navigation aids, manuals, blueprints, engineering or other data or advice, services and labor relating to such aircraft or products.
- 4. "Aircraft work":
 - a. Means any part of "your technology products or services" in connection with the manufacture, handling, maintenance, operation or use of any aircraft, including, missile, balloon or spacecraft, and any ground support or control equipment used in connection with any aircraft, missile, balloon or spacecraft.
 - b. Includes:
 - (1) Software used in connection with, or incorporated into aircraft, aircraft parts, aircraft equipment or aircraft accessories, including ground handling tools and equipment;
 - (2) Software used at an airport for the purpose of guidance, navigation or direction of aircraft whether an aircraft is in flight or on the ground; and
 - (3) Training aids, navigation charts, navigation aids, manuals, blueprints, engineering or other data or advice, and services and labor relating to such aircraft or products.
- 5. "Claim" means a written demand that seeks "damages".
- 6. "Controlled organization" means any organization in which any insured owns the controlling ownership interest.
- 7. "Controlling person or organization" means any person or organization that owns the controlling ownership interest in you.
- 8. "Damages":
 - a. Means a monetary amount paid to a claimant for loss.
 - b. Does not include:
 - (1) Credits.
 - (2) Voluntary payments.
 - (3) Amounts actually paid to you by your customer in exchange for products, services or work.
 - (4) An offset of fees, charges or commissions owed to you by your customer.
 - (5) Any fine or penalty imposed by law or regulation against the insured.
 - (6) The portion of any multiplied damage award that exceeds the amount multiplied.
 - (7) License fees or royalties of any kind.

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(8) The amount of liquidated damages awarded pursuant to a contract or agreement that exceeds the amount of damages for which the insured would have liability in the absence of such contract or agreement.

(9) Fees, costs or expenses awarded pursuant to a prevailing party provision in a contract or agreement.

(10) Punitive damages unless such damages are insurable under the applicable law.

9. "Defense expenses":

a. Means any of the following fees, costs or expenses which can be directly allocated to a particular "claim" or "suit":

(1) Fees of attorneys, or other authorized representatives where permitted, for legal services, whether by outside or staff representatives; or

(2) Court, alternative dispute resolution, and other specific items of expense, whether incurred by an outside vendor or by one of our employees, including:

(a) Expert testimony;

(b) Autopsy;

(c) Witnesses and summonses;

(d) Copies of documents such as birth and death certificates and medical treatment records;

(e) Arbitration fees;

(f) Fees or costs for surveillance or other professional investigations which are conducted as part of the handling of a "claim" or "suit"; and

(g) Fees or costs for loss prevention and engineering services which are conducted as part of handling of a "claim" or "suit".

b. Does not include:

(1) Our expenses, including salaries, overhead and traveling expenses of our employees, except for those fees, costs or expenses described in Paragraphs a.(1) and a.(2) above incurred while handling a "claim" or "suit".

(2) Fees paid to independent claims professionals or attorneys (hired to perform the function of claim investigation normally performed by claim adjusters), for developing and investigating a "claim" so that a

determination can be made of the cause, extent or responsibility for the loss, including evaluation and settlement of covered "claims".

10. "Described authorized person" means:

a. You, if you are an individual; or

b. Any person while he or she is:

(1) Your "spouse", if you are an individual;

(2) Your partner or member, or his or her "spouse", if you are a partnership or joint venture;

(3) Your manager or member, if you are a limited liability company;

(4) Your appointed or elected official, director or "executive officer", if you are a public entity;

(5) Your director or "executive officer", if you are an organization other than a partnership, joint venture, limited liability company or public entity; or

(6) Your risk manager, or any leader of your legal, finance, risk management or other department that is responsible for insurance matters.

11. "Domestic partner" means any person who qualifies as a domestic partner, or party to a civil union, under any:

a. Applicable federal, state, local or foreign law; or

b. Formal program established by the insured.

12. "Electrical or mechanical interruption or failure" means any:

a. Electrical disturbance, surge, spike, brownout or blackout; or

b. Outage to gas, water, telephone, Internet, cable, satellite, telecommunication or other infrastructure.

13. "Employee" includes a "leased worker". "Employee" does not include a prisoner employed by any insured.

14. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

15. "Grounding" means the withdrawal of one or more aircraft from flight operations or the imposition of speed, passenger or load restrictions on such aircraft, by reason of the actual, alleged or sus-

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pected existence of any defect, fault or condition in such aircraft or any part thereof:

- a. Sold, handled or distributed by the insured; or
- b. Manufactured, assembled or processed by any other person or organization:

- (1) According to specifications, plans, suggestions, orders or drawings of the insured; or

- (2) With tools, machinery or other equipment furnished to such persons or organizations by the insured;

whether such aircraft so withdrawn or restricted are owned or operated by the same or different persons or organizations.

- 16. "Hazardous properties" includes radioactive, toxic or explosive properties.
- 17. "Joint powers authority" means any organization formed by two or more public entities that have agreed in a contract or agreement to jointly exercise any power common to them.
- 18. "Leased worker" means a person, other than a prisoner, hired from a labor leasing firm under an agreement between the hirer and that firm to perform duties related to the conduct of the hirer's business.
- 19. "Nuclear material" means any of the following materials defined in the Federal Atomic Energy Act or any of its amendments:
 - a. Source material;
 - b. Special nuclear material; or
 - c. By-product material.
- 20. "Our deductible recovery expenses" means all fees, costs, and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you. But if the deductible amount awarded to us is less than the full amount of the deductible payment we sought, "our deductible recovery expenses" will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.
- 21. "Personal injury" means injury, other than "advertising injury", caused by one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful

eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;

- d. Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the "claim" is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- e. Oral or written publication, including publication by electronic means, of material that:
 - (1) Appropriates a person's name, voice, photograph or likeness;
 - (2) Unreasonably places a person in a false light; or
 - (3) Discloses information about a person's private life.
- 22. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 23. "Related wrongful acts" means any of the following:
 - a. "Related errors and omissions wrongful acts", if the CyberFirst Essentials Technology Products Or Services Errors And Omissions Liability Coverage Form is part of your policy.
 - b. "Related information security wrongful acts", if the CyberFirst Essentials Information Security Liability Coverage Form is part of your policy.
- 24. "Slogan" means a phrase that others use for the purpose of attracting attention in their advertising.
- 25. "Spouse" includes a "domestic partner".
- 26. "Suit" means a civil proceeding that seeks "damages". "Suit" includes:
 - a. An arbitration proceeding that seeks such "damages" and to which the insured must submit or submits with our consent; and
 - b. Any other alternative dispute resolution proceeding that seeks such "damages" and to which the insured submits with our consent.
- 27. "Title" means a name of a literary or artistic work.
- 28. "Unsolicited communication":

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM

**THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE FORM CAREFULLY.**

Various provisions in this coverage form restrict coverage. Your CyberFirst Essentials General Provisions Form also contains provisions that apply to this form, including provisions explaining who is insured under this form and the limits of coverage and deductible that apply to the insurance provided under this form. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Common Policy Declarations, and any other person or organization qualifying as a Named Insured under this insurance. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured in your CyberFirst Essentials General Provisions Form.

The words "policy period" mean the Policy Period for the CyberFirst Essentials Information Security Liability Coverage Form shown in the Declarations of this Coverage Part.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section II – Definitions in this form and Section VII – Definitions in your CyberFirst Essentials General Provisions Form.

SECTION I – INFORMATION SECURITY LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as "damages" because of loss to which this insurance applies. The amount we will pay for "damages" is limited as described in Section III – Limits Of Insurance in your CyberFirst Essentials General Provisions Form.
- b. This insurance applies to loss only if:
 - (1) The loss is caused by an "information security wrongful act" committed in the "coverage territory";

- (2) The "information security wrongful act" was committed on or after the Information Security Retroactive Date shown in the Declarations of this Coverage Part and before the end of the policy period; and

- (3) A "claim" or "suit" that seeks "damages" because of the loss is first made or brought against any insured, in accordance with Paragraph e. below, during the policy period or any Extended Reporting Period we provide under Section VI – Extended Reporting Periods in your CyberFirst Essentials General Provisions Form.

- c. Each "information security wrongful act" in a series of "related information security wrongful acts" will be deemed to have been committed on the date the first wrongful act in that series is committed.
- d. If no Information Security Retroactive Date is shown in the Declarations of this Coverage Part, the Information Security Retroactive Date will be deemed to be the first day of the policy period.
- e. A "claim" or "suit" that seeks "damages" will be deemed to have been first made or brought at the earlier of the following times:

- (1) When we or any "described authorized person" first receives written notice of such claim" or "suit", whichever is first; or
- (2) When we first receive written notice from any insured of a specific "information security wrongful act" that caused the loss which resulted in such "claim" or "suit".

All "claims" or "suits" that seek "damages" because of loss caused by the same "information security wrongful act" or "related information security wrongful acts" will be deemed to have been first made or brought at the time the first of those "claims" or "suits" is first made or brought against any insured.

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- f. A "claim" or "suit" that seeks "damages" will be deemed to have been first made or brought at the time we receive written notice from any insured of a specific "information security wrongful act" only if that notice contains all of the following information:

- (1) How, when and where the "information security wrongful act" was committed;
- (2) A description of what happened;
- (3) A description of what "damages" may result;
- (4) The identity of the person or organization that may make a "claim" or bring a "suit"; and
- (5) The identity of each insured that committed the "information security wrongful act".

Notice to us that:

- (1) All or part of one or more of any insured's acts or omissions may in the future be discovered to be a "information security wrongful act"; or
- (2) Any insured may in the future receive written notice of a "information security wrongful act", "claim" or "suit";

is not notice of a specific "information security wrongful act".

2. Exclusions

The following exclusions apply only to the coverage provided under this form. These exclusions apply in addition to the exclusions in Paragraph 3. of Section I – Coverage in your CyberFirst Essentials General Provisions Form.

This insurance does not apply to:

a. Bodily Injury

"Bodily injury".

b. Claims Or Suits By Insureds Against Insureds

Loss for which a "claim" or "suit" is made or brought by or on behalf of any current or former insured against any current or former insured.

This exclusion does not apply to any "claim" or "suit" made or brought by:

- (1) Any person or organization that:

- a. Is an insured under Paragraph 4. of Section II – Who Is An Insured in your CyberFirst Essentials General Provisions Form; or

- b. Has been added as an additional insured by attachment of an endorsement to this Coverage Part; or

- (2) Your current or former "employee" for failure to prevent unauthorized access to, or use of, "identity information" of such "employee", but only if such "employee" did not commit or participate in the failure to prevent such unauthorized access or use.

c. Intellectual Property

Loss arising out of any actual or alleged infringement or violation of any of the following rights or laws committed by or on behalf of an insured:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trade secret;
- (6) Trademark; or
- (7) Other intellectual property rights or laws.

d. Profits

Disgorgement of profits, accounting or award of profits, or any other return of profits.

e. Property Damage

"Property damage".

SECTION II – DEFINITIONS

1. "Bodily injury":

- a. Means any harm, including sickness or disease, to the health of a person.
- b. Includes mental anguish, injury or illness, or emotional distress.

2. "Coverage territory" means anywhere in the world, provided that no trade sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss.

3. "Identity information" means any of the following information concerning a person:

- a. Nonpublic personal information as defined in the Gramm-Leach Bliley Act of 1999, or any of its amendments, or any regulation issued pursuant to such Act;
- b. Medical or health care information, including protected health information as defined in the Health Insurance Portability and Accountability Act of 1996, or any of its amendments, or any regulation issued pursuant to such Act;

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- c. Personal information that is protected from unauthorized access or acquisition under any other local, state, federal or foreign law or regulation; or
 - d. A driver's license or state identification number; social security number; unpublished telephone number; or credit, debit or charge card number, or other financial account number and any security code, access code, password or PIN number associated with such credit, debit or charge card number or other financial account number.
4. "Information security wrongful act" means any of the following committed by or on behalf of an insured in the conduct of your business:
- a. Failure to prevent unauthorized access to, or use of, "identity information" of others ; or
 - b. Failure to provide notification of any actual or potential unauthorized access to, or use of, "identity information" of others as required by
- any "security breach notification law" that applies to you.
5. "Property damage" means physical damage to tangible property of others, including all resulting loss of use of that property.
- For the purposes of this insurance, data, including information, facts or programs in any electronic or other format, is not tangible property.
6. "Related information security wrongful acts" means two or more "information security wrongful acts" that have as a common connection, tie, or link any fact, circumstance, situation, event, transaction, cause, or series of related facts, circumstances, situations, events, transactions, or causes.
7. "Security breach notification law" means any law or regulation that requires an organization to notify persons that their nonpublic personal information was or may have been accessed or acquired without their authorization.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE FOR FINANCIAL INTEREST IN FOREIGN INSURED ORGANIZATIONS – CYBERFIRST ESSENTIALS

This endorsement modifies insurance provided under the following:

CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM
CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM
CYBERFIRST ESSENTIALS TECHNOLOGY PRODUCTS OR SERVICES ERRORS AND OMISSIONS
LIABILITY COVERAGE FORM

PROVISIONS

1. The following is added to Paragraph 1., **Insuring Agreement**, of **SECTION I** in each liability coverage form shown above that is part of your policy:

In the event of "foreign cyber liability loss" incurred by a "foreign insured organization", or by any other insured for whom such "foreign insured organization" is liable, we will reimburse the first Named Insured, or any other Named Insured that is not a "foreign insured organization", for such "foreign cyber liability loss" because of its "financial interest" in that "foreign insured organization". For purposes of this insurance, amounts we reimburse under:

- (1) Paragraph a. of the definition of "foreign cyber liability loss" will be deemed to be sums that such Named Insured must pay, or becomes legally obligated to pay, as "damages" under this insurance;
- (2) Paragraph b. of the definition of "foreign cyber liability loss" will be deemed to be payments we make under Paragraph 2., **Supplementary Payments**, of **Section I – Coverage of the CyberFirst Essentials General Provisions Form**; and
- (3) Paragraph c. of the definition of "foreign cyber liability loss" will be deemed to be "defense expenses" we pay under this insurance.

2. Paragraph 11., **When We Are Prohibited From Defending An Insured**, of **SECTION V – CYBER LIABILITY CONDITIONS** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM** is deleted.
3. Paragraph 12., **When We Are Prohibited From Paying Damages On Behalf Of An Insured**, of **SECTION V – CYBER LIABILITY CONDITIONS**

in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM** is deleted.

4. Paragraph 13., **When We Are Prohibited From Paying Supplementary Payments**, of **SECTION V – CYBER LIABILITY CONDITIONS** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM** is deleted.

5. The following is added to **SECTION V – CYBER LIABILITY CONDITIONS** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

Duties In The Event Of A Claim Or Suit For Foreign Cyber Liability Loss

In the event of a "claim" or "suit" for "foreign cyber liability loss" made or brought against a "foreign insured organization", or any other insured for whom such "foreign insured organization" is liable, the first Named Insured must:

- (1) Arrange to investigate and defend such "claim" or "suit";
- (2) Notify us in writing in advance of any proposed settlement of such "claim" or "suit"; and
- (3) Comply with all other conditions of this insurance as if such "claim" or "suit" were made or brought against any insured that is not a "foreign insured organization".

6. The following is added to the **DEFINITIONS** Section in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

"CyberFirst Essentials first-party coverage" means any of the following coverages, if part of your policy:

- a. Security Breach Notification And Remediation Expenses And Payment Card Expenses Coverage; or

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b. Crisis Management Service Expenses Coverage.

"Financial interest" means the insurable interest in a "foreign insured organization" because of:

- a. Sole ownership of, or majority ownership interest in, such "foreign insured organization", either directly or through one or more intervening subsidiaries;

b. Indemnification of, or an obligation to indemnify:

- (1) Such "foreign insured organization"; or
- (2) Any other insured for whom such "foreign insured organization" is liable;

for a "foreign cyber first-party loss" or "foreign cyber liability loss"; or

c. An obligation to obtain insurance for such "foreign insured organization".

"Foreign cyber first-party loss" means loss to which the insurance provided under "CyberFirst Essentials first-party coverage" would have applied but for the fact that the insured that incurred or paid such loss is located in a country or jurisdiction in which we are not licensed to provide such insurance and where providing such insurance would violate the laws or regulations of such country or jurisdiction.

"Foreign cyber liability loss" means:

- a. Sums that an insured must pay, or becomes legally obligated to pay, as "damages" because of loss to which the insurance provided under "your cyber liability coverage forms" would have applied;
- b. Payments described in Paragraph 2., Supplementary Payments, of Section I –

Coverage of the CyberFirst Essentials General Provisions Form that we would have made with respect to:

- (1) Any "claim" against an insured or your indemnitee that we would have investigated; or

- (2) Any "claim" or "suit" against an insured or your indemnitee that we would have settled or defended; or

c. "Defense expenses" that we would have paid in connection with any "claim" or "suit" against an insured or your indemnitee that we would have defended;

but for the fact that such insured or indemnitee is located in a country or jurisdiction in which we are not licensed to provide insurance under "your cyber liability coverage forms" and where providing such insurance would violate the laws or regulations of such country or jurisdiction.

"Foreign insured organization" means any organization that:

- a. Is an insured under Section II – Who Is An Insured of the CyberFirst Essentials General Provisions Form; and
- b. Is located in a country or jurisdiction in which we are not licensed to provide this insurance and where providing this insurance would violate the laws or regulations of such country or jurisdiction.

7. The following replaces the definition of "coverage territory" in the DEFINITIONS Section of each liability coverage form shown above that is part of your policy:

"Coverage territory" means anywhere in the world.

POLICY NUMBER: 680-6G72410A-15-42

CYBER LIABILITY
ISSUE DATE: 12-17-15**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****BREACH ESSENTIALS ENDORSEMENT**

This endorsement modifies insurance provided under the following:

CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM
CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM**SCHEDULE OF CYBER FIRST-PARTY LIMIT AND DEDUCTIBLE**

	<u>Limit</u>	<u>Deductible</u>
Cyber First-Party Limit and Deductible	\$ 10,000	\$

PROVISIONS**A. INTRODUCTION**

The following is added to the Introductory Note in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

THE LIMITS OF INSURANCE WILL BE REDUCED BY THE PAYMENT OF YOUR SECURITY BREACH NOTIFICATION AND REMEDIATION EXPENSES, YOUR PAYMENT CARD EXPENSES AND YOUR CRISIS MANAGEMENT SERVICE EXPENSES COVERED BY YOUR CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM.

B. CYBER FIRST-PARTY COVERAGES

1. The following is added to Paragraph 1., **Insuring Agreement**, of **SECTION I – INFORMATION SECURITY LIABILITY COVERAGE** in the **CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM**:

Security Breach Notification And Remediation Expenses And Payment Card Expenses Coverage

We will reimburse you for loss to which this insurance applies that is "your security breach notification and remediation expenses" or "your payment card expenses" directly attributed to a "security breach" that:

- (1) Is caused by an "information security wrongful act" committed on or after the Information Security Retroactive Date shown in the Declarations of this Coverage Part and before the end of the policy period;
- (2) Occurs during the policy period; and

- (3) Is first reported to us during the policy period or within 90 days after the end of the policy period.

But we will not reimburse you for "your payment card expenses" that are "payment card contract penalties" or "chargebacks" unless you have agreed to pay such "payment card contract penalties" or "chargebacks" in a "merchant service agreement" you entered into before such "security breach" occurred.

Each "security breach" in a series of "related security breaches" will be deemed to occur on the date the first "security breach" in that series occurs.

A "security breach" will be deemed to have been first reported to us on the date that we first receive a written notice of such "security breach" from any insured or any authorized government entity.

In the event of a "foreign cyber first-party loss" that is "your security breach notification and remediation expenses" or "your payment card expenses" incurred and paid by a "foreign insured organization", we will reimburse the first Named Insured, or any other Named Insured that is not a "foreign insured organization", for such "foreign cyber first-party loss" because of its "financial interest" in that "foreign insured organization". For purposes of this insurance:

- (1) "Your security breach notification and remediation expenses" that we reimburse as "foreign cyber first-party loss" will be deemed to be "your security breach notification and remediation expenses";

CYBER LIABILITY

- (2) "Your payment card expenses" that we reimburse as "foreign cyber first-party loss" will be deemed to be "your payment card expenses";

under this **Security Breach Notification and Remediation Expenses And Payment Card Expenses Coverage**.

Crisis Management Service Expenses Coverage

We will reimburse you for "your crisis management service expenses" that:

- (1) Arise out of loss to which this insurance applies that is caused by an "information security wrongful act" committed on or after the Information Security Retroactive Date shown in the Declarations of this Coverage Part and before the end of the policy period;
- (2) Are first incurred by you during the policy period; and
- (3) Are reported to us during the policy period or within 90 days after the end of the policy period.

Each "information security wrongful act" in a series of "related information security wrongful acts" will be deemed to have been committed on the date the first "information security wrongful act" in that series is committed.

Any of "your crisis management service expenses" that:

- (1) Are first incurred by you after the end of the policy period; and
- (2) Relate to any of "your crisis management service expenses" that are first incurred by you during the policy period;

will be deemed to have been incurred by you during the policy period.

In the event of a "foreign cyber first-party loss" that is "your crisis management service expenses" incurred and paid by a "foreign insured organization", we will reimburse the first Named Insured, or any other Named Insured that is not a "foreign insured organization", for such "foreign cyber first-party loss" because of its "financial interest" in that "foreign insured organization". For purposes of this insurance, "your crisis management service expenses" that we reimburse as "foreign cyber first-party loss" will be deemed to be "your crisis management service expenses"

under this **Crisis Management Service Expenses Coverage**.

2. The following replaces the third paragraph of Paragraph 1.a., **Defense Of Claims Or Suits**, of **SECTION I – COVERAGE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

We may, at our discretion, investigate any "wrongful act" or "claim" and settle any "claim" or "suit". But our right and duty to defend ends when we have used up the:

- a. Aggregate Limit in the payment of:
 - (1) Judgments, settlements or "defense expenses"; and
 - (2) Loss that is "your cyber first-party loss"; or
- b. Each Wrongful Act Limit in the payment of judgments, settlements or "defense expenses".

3. The following replaces the last paragraph of Paragraph 2., **Supplementary Payments**, of **SECTION I – COVERAGE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

Our duty to make such payments ends when we have used up the:

- a. Aggregate Limit in the payment of:
 - (1) Judgments, settlements or "defense expenses"; and
 - (2) Loss that is "your cyber first-party loss"; or
- b. Each Wrongful Act Limit in the payment of judgments, settlements or "defense expenses".

4. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – INFORMATION SECURITY LIABILITY COVERAGE** in the **CYBERFIRST ESSENTIALS INFORMATION SECURITY LIABILITY COVERAGE FORM**:

PCI Attestation Of Compliance

"Your payment card expenses" if:

- (1) You have not attested compliance with the "payment card security standards" by completing and signing a "PCI attestation of compliance" within the twelve months immediately preceding the "security breach"; or

- (2) You fraudulently or intentionally misrepresent that you are in compliance with the "payment card security standards" in completing the "PCI attestation of compliance".

C. LIMITS OF INSURANCE

1. The following is added to **SECTION III – LIMITS OF INSURANCE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

Subject to the Aggregate Limit, the Cyber First-Party Limit shown in the Schedule Of Cyber First-Party Limit And Deductible is the most we will pay for the sum of all loss that is "your cyber first-party loss."

2. The following replaces the first paragraph of Paragraph 2. of **SECTION III – LIMITS OF INSURANCE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

The Aggregate Limit is the most we will pay for the sum of all:

- a. "Damages" and "defense expenses" for the combined total of all "claims" or "suits" for loss; and
- b. Loss that is "your cyber first-party loss"; to which the insurance provided under one or more of "your cyber liability coverage forms" applies.

D. DEDUCTIBLE

1. The following is added to the last sentence of Paragraph 1. of **SECTION IV – DEDUCTIBLE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

The Each Wrongful Act Deductible does not apply to payments we make for loss that is "your cyber first-party loss".

2. The following is added to **SECTION IV – DEDUCTIBLE** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

We will not reimburse you for any of "your cyber first-party loss" to which this insurance applies until the amount of such loss exceeds the deductible shown in the Schedule Of Cyber First-Party Limit And Deductible. We will then reimburse you for the amount of such loss in excess of the deductible, up to the limit of insurance shown in the Schedule.

E. CYBER LIABILITY CONDITIONS

1. The following is added to Paragraph 14., **Currency**, of **SECTION V – CYBER LIABILITY**

CONDITIONS in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

Payments for loss that is "your cyber first-party loss" will be in currency of the United States of America. At our sole option, we may make these payments in a different currency. Any necessary currency conversion for such payments will be calculated based on the rate of exchange published in the Wall Street Journal immediately preceding the date the payment is processed.

2. The following is added to **SECTION V – CYBER LIABILITY CONDITIONS** in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

Duties In The Event Of A Security Breach

- a. You must see to it that we are notified in writing as soon as practicable of a "security breach" which may result in "your security breach notification and remediation expenses" or "your payment card expenses". Such notice should include:

- (1) How, when and where the "security breach" occurred; and
- (2) The nature and extent of fees, costs or expenses incurred and paid by you which can be directly attributed to a "security breach".

- b. You must:

- (1) Authorize us to obtain records and other information;
- (2) Cooperate with us in the investigation of the "security breach"; and
- (3) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply.

Duties In The Event Of An Information Security Wrongful Act That Causes A Foreign Cyber First-Party Loss

In the event an "information security wrongful act" causes a "foreign cyber first-party loss", the first Named Insured must comply with all conditions of this policy as if the insured that incurred and paid such "foreign cyber first-party loss" is not a "foreign insured organization".

CYBER LIABILITY

F. DEFINITIONS

The following is added to the **DEFINITIONS** Section in the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**:

"Chargebacks":

- a. Means "payment card" charge reversals because of the fraudulent use of "payment cards" or "identity information".
- b. Includes transaction fees assessed to process such "payment card" charge reversals.

"Merchant service agreement" means a contract between you and an acquiring bank or other acquiring institution that establishes the terms and conditions for accepting and processing "payment card" transactions.

"Payment card" means a credit card, debit card or charge card issued by a financial institution.

"Payment card contract penalties":

- a. Means fines or penalties incurred by you after a "security breach" because of non-compliance with the "payment card security standards".
- b. Does not include:
 - (1) Fines or penalties assessed because of not promptly reporting a "security breach";
 - (2) Fines or penalties assessed because of failure to properly validate system security according to the "payment card security standards"; or
 - (3) Any interchange fees or changes in interchange fee schedules.

"Payment card security standards" means:

- a. The most current edition of security standards contained in:
 - (1) The Payment Card Industry Data Security Standards program (PCI DSS);
 - (2) Visa's Cardholder Information Security Program (CISP);
 - (3) MasterCard's Site Data Protection program (SDP);
 - (4) American Express's Data Security Operating Policy; or
 - (5) Discover's Information Security and Compliance program (DISC); or
- b. Other security standards similar to those in Paragraphs a.(1) through a.(5) above that

you have agreed to in a "merchant service agreement" with a financial institution;

that apply to you.

"PCI attestation of compliance" means the declaration of compliance status with the Payment Card Industry Data Security Standards program found in the "PCI self-assessment questionnaire" that applies to you.

"PCI forensic investigation" means a professional review of your computer systems by a "qualified forensic investigator" to determine your compliance with the "payment card security standards".

"PCI self-assessment questionnaire" means the questionnaire, developed by the Payment Card Industry Security Standards Council, that assists you in self-evaluation of your compliance with the "payment card security standards".

"Qualified forensic investigator" means an organization approved by the applicable "payment card" issuing bank to conduct forensic investigations after a "security breach".

"Qualified security assessor" means a person or organization certified by the Payment Card Industry Security Standards Council to assess compliance with "payment card security standards".

"Related security breaches" means two or more "security breaches" that have as a common connection, tie, or link any fact, circumstance, situation, event, transaction, cause, or series of related facts, circumstances, situation, events, transactions, or causes.

"Security breach" means unauthorized access to, or acquisition of, "identity information" owned, licensed, maintained or stored by you.

"Security breach notification law" means any law or regulation that requires an organization to notify persons that their nonpublic personal information was or may have been accessed or acquired without their authorization.

"Software and hardware upgrade and scanning services expenses" means:

- a. Fees, costs or expenses for a "PCI forensic investigation" arising out of a written notification by a "payment card" issuing bank, merchant bank, acquiring bank or other acquiring institution that you are a likely common point of purchase source of a "security breach" or otherwise involved in a "security breach" to determine if you are in compliance with the "payment card security standards";

- b. Costs or expenses to purchase and install anti-virus software, point-of-sale systems software, firewall protection software, or firewall protection hardware that satisfies the requirements of the "payment card security standards", if, after a "security breach", it is determined through a "PCI forensic investigation" that you are out of compliance with the "payment card security standards"; or
- c. Costs for the scanning services of a "qualified security assessor" to certify that your upgraded software and hardware systems meet the requirements of the "payment card security standards", but only for the first such scanning services after your software or hardware systems, or both, are upgraded.

"Your crisis management service expenses":

- a. Means the reasonable fees, costs or expenses incurred and paid by you in:

- (1) Retaining a public relations consultant or firm, or a crisis management consultant or firm; or

- (2) Planning or executing your public relations campaign;

to mitigate any actual or potential negative publicity generated from loss to which this insurance applies.

- b. Does not include fees, costs or expenses you incur to comply with any law or regulation.

"Your cyber first-party loss" means loss that is:

- a. "Your security breach notification and remediation expenses";

- b. "Your payment card expenses"; or

- c. "Your crisis management service expenses".

"Your payment card expenses":

- a. Means any of the following reasonable fees, costs or expenses incurred and paid by you which are directly attributed to a "security breach":

- (1) "Software and hardware upgrade and scanning services expenses";

- (2) "Payment card contract penalties"; or

- (3) "Chargebacks".

- b. Does not include:

- (1) Remuneration paid to your regular "employees" for work beyond their normal scheduled hours;

- (2) Fees, costs, or expenses of outside consultants retained by you, unless we agree to reimburse you for such fees, costs, or expenses;

- (3) Amounts that you voluntarily agree to pay to any person whose "identity information" was accessed or acquired without his or her authorization;

- (4) Fees, costs, or expenses in:

- (a) Retaining a public relations consultant or firm, or a crisis management consultant or firm; or

- (b) Planning or executing your public relations campaign;

to mitigate any actual or potential negative publicity generated from the "security breach"; or

- (5) "Your security breach notification and remediation expenses".

"Your security breach notification and remediation expenses":

- a. Means any of the following reasonable fees, costs or expenses incurred and paid by you which can be directly attributed to a "security breach":

- (1) Forensic fees, costs or expenses to determine the cause of the "security breach" and the persons whose "identity information" was accessed or acquired without their authorization.

- (2) Fees, costs or expenses to develop documents or materials to notify the persons whose "identity information" was accessed or acquired without their authorization.

- (3) Costs of mailings or other communications required to notify the persons whose "identity information" was accessed or acquired without their authorization.

- (4) Costs of providing 365 days of credit monitoring services to persons whose "identity information" was accessed or acquired without their authorization, starting with the date that you first notify such persons of the "security breach".

- (5) Costs of establishing and maintaining a call center to be used by persons whose "identity information" was accessed or acquired without their authorization.

CYBER LIABILITY

- (6) Any other fees, costs, or expenses necessary to comply with any "security breach notification law" that applies to you.
- b. Does not include:
- (1) Remuneration paid to your regular "employees" for work beyond their normal scheduled hours.
- (2) Fees, costs, or expenses of outside consultants retained by you, unless we agree to reimburse you for such fees, costs, or expenses.
- (3) Fines or penalties imposed by law or that any insured has agreed to pay for any reason.
- (4) Amounts that you voluntarily agree to pay to any person whose "identity information" was accessed or acquired without his or her authorization.
- (5) "Your crisis management service expenses".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF ADVERTISING INJURY AND PERSONAL INJURY DEFINITIONS – INFORMATION SECURITY LIABILITY

This endorsement modifies insurance provided under the following:

CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM

PROVISIONS

1. The following replaces the definition of "advertising injury" in the **DEFINITIONS** Section of the **CYBERFIRST ESSENTIALS GENERAL PROVISIONS FORM**, but only for the purpose of the insurance provided under your CyberFirst Essentials Information Security Liability Coverage Form:

"Advertising injury" means injury, other than "personal injury", caused by one or more of the following offenses:

- a. Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the "claim" is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
- b. Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (1) Appropriates a person's name, voice, photograph or likeness; or
 - (2) Unreasonably places a person in a false light; or
- c. Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the "claim" is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".

2. The following replaces the definition of "personal injury" in the **DEFINITIONS** Section of the **CY-**

BERFIRST ESSENTIALS GENERAL PROVISIONS FORM, but only for the purpose of the insurance provided under your CyberFirst Essentials Information Security Liability Coverage Form:

"Personal injury" means injury, other than "advertising injury", caused by one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- d. Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the "claim" is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- e. Oral or written publication, including publication by electronic means, of material that:
 - (1) Appropriates a person's name, voice, photograph or likeness; or
 - (2) Unreasonably places a person in a false light.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA MANDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CYBERFIRST ESSENTIALS LIABILITY COVERAGE

PROVISIONS

1. The following replaces Paragraphs 2. and 3. of the **Cancellation** Common Policy Condition:

2. Cancellation of Policies In Effect

a. 60 Days or Less

If this policy has been in effect for 60 days or less, we may cancel this policy for any reason.

b. More than 60 Days

If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) The policy was obtained through material misrepresentation;
- (3) Any insured has submitted a fraudulent claim;
- (4) Any insured has violated the terms and conditions of this policy;
- (5) The risk originally accepted has substantially increased;
- (6) Certification to the Director of Insurance of our loss of reinsurance which provided coverage to us for all or a substantial part of the underlying risk insured; or
- (7) The determination by the Director of Insurance that the continuation of the policy could place us in violation of the Nebraska Insurance Laws.

- c. If we cancel this policy subject to Paragraph 2.a. or 2.b. above, we will mail to the first Named Insured a written notice of cancellation, stating the reasons for cancellation, at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

- (2) 60 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail our notice by first class mail to the first Named Insured's last mailing address known to us. A United States Postal Service Certificate of Mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate of mailing.
2. Paragraph 6. of the **Cancellation** Common Policy Condition is deleted.
3. The following condition is added and supersedes any other provision to the contrary:

When We Do Not Renew

1. If we decide not to renew this policy, we will mail written notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured, at least 60 days prior to the expiration date of this policy.
2. Any notice of nonrenewal will be mailed by first class mail to the first Named Insured's last mailing address known to us. A United States Postal Service Certificate of Mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate of mailing.



One Tower Square, Hartford, Connecticut 06183

**EMPLOYMENT PRACTICES LIABILITY⁺
WITH IDENTITY FRAUD EXPENSE
REIMBURSEMENT COVERAGE PART
DECLARATIONS**

POLICY NO.: 680-6G72410A-15-42
ISSUE DATE: 12/17/2015

THIS FORM PROVIDES CLAIMS-MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY FOR EMPLOYMENT PRACTICES LIABILITY COVERAGE

INSURING COMPANY: TRAVELERS CASUALTY INSURANCE COMPANY OF AMERICA

POLICY PERIOD: From 12/17/2015 to 12/17/2016 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Employment Practices Liability⁺ With Identity Fraud Expense Reimbursement Coverage Part consists of these Declarations and the Coverage Form shown below.

ITEM 1. LIMIT OF INSURANCE AND RETENTION FOR EMPLOYMENT PRACTICES LIABILITY COVERAGE

Limit of Insurance: \$ 10,000
(Defense Expenses are included within the Limit of Insurance)

Retention Amount applicable to each Employment Practices Liability Claim: \$ 500

ITEM 2. LIMIT OF INSURANCE AND DEDUCTIBLE FOR IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE

Limit of Insurance: \$ 2,500

Deductible Amount applicable to Identity Fraud Expense Reimbursement: \$ 0

ITEM 3. EMPLOYMENT PRACTICES LIABILITY COVERAGE EXTENDED REPORTING PERIOD

Subject to the terms and conditions of the Employment Practices Liability Coverage, an optional Extended Reporting Period may be purchased for: 12 months for 75% of the Premium for the **Policy Period**.

ITEM 4. EMPLOYMENT PRACTICES LIABILITY CONTINUITY DATE

Continuity Date: 12/17/2015

ITEM 5. PREMIUM: INCLUDED

ITEM 6. NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.



EMPLOYMENT PRACTICES LIABILITY⁺

WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE FORM

This Coverage Part includes two coverages: **EMPLOYMENT PRACTICES LIABILITY COVERAGE**, and **IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE**

EMPLOYMENT PRACTICES LIABILITY COVERAGE PROVIDES CLAIMS-MADE COVERAGE. DEFENSE EXPENSES ARE PAYABLE WITHIN, AND ARE NOT IN ADDITION TO, THE LIMIT OF INSURANCE. PAYMENT OF DEFENSE EXPENSES WILL REDUCE THE LIMIT OF INSURANCE FOR EMPLOYMENT PRACTICES LIABILITY COVERAGE AND WILL BE APPLIED AGAINST THE RETENTION AMOUNT.

PLEASE READ THE ENTIRE FORM CAREFULLY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Common Policy Declarations, including any other organization qualifying as a Named Insured under this policy, other than any "subsidiary". For any Named Insured who is a person, "you" and "your" refers to such person doing business as a sole proprietorship and only with respect to the conduct of the business of which such person is the sole owner. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under the applicable **Who Is An Insured** provision for each coverage included in this Coverage Part.

Other words and phrases that appear in quotation marks have special meaning for the coverages included in this Coverage Part. Refer to the applicable **Definitions** provision for each coverage included in this Coverage Part for the meanings applicable to that coverage.

SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. Insuring Agreement

1. We will pay on behalf of the insured, "damages" and "defense expenses" on account of a "claim" first made during the "policy period" for an actual or alleged "wrongful employment practice". We will have the right and duty to defend any "claim", including the right to select defense counsel with respect to such "claim", even if the allegations are groundless, false or fraudulent; provided, that we will not be obligated to defend or to continue to defend any "claim" after the applicable Limit of Insurance has been exhausted by payment of "damages" or "defense expenses" or both.

We may, with the written consent of the insured, make such settlement or compromise of any "claim" as we deem expedient, and if the insured refuses to consent to the settlement of any "claim" as recommended by us based upon a judgment or a bona fide offer of settlement, then the insured thereafter must negotiate or defend such "claim" independently of us and on the insured's own behalf

and solely at the expense of the insured; in such event all "defense expenses" and other costs and expenses incurred or paid by the insured after the date the insured refused to consent to settlement as recommended by us, will be the sole responsibility of the insured and will not be recoverable under this Employment Practices Liability Coverage, and the insured also will be solely responsible for all "damages" in excess of the lower of the amount for which settlement could have been made as recommended by us or the remaining portion of the Limit of Insurance.

2. This Employment Practices Liability Coverage applies to any "wrongful employment practice" only if the "wrongful employment practice" was not committed in whole or in part, prior to the Continuity Date shown in **ITEM 4** of the Declarations for this Coverage Part.
3. This Employment Practices Liability Coverage applies to any "wrongful employment practice" that is committed and "claim" that is made anywhere in the world, except the "prohibited area".

EMPLOYMENT PRACTICES LIABILITY⁺

4. A "claim" will be deemed to be made on the earliest date a written demand or notice thereof is received by the insured.
5. All "related claims" are a single "claim" for purposes of the Employment Practices Liability Coverage, and all "related claims" will be deemed to have been made at the time the first of such "related claims" was made whether prior to or during the "policy period".
6. If, during the "policy period", the insured first becomes aware of a "potential claim" and, during such "policy period", gives written notice thereof as set forth herein to us, then if a "claim" is subsequently made against the insured by the "claimant" for the actual or alleged "wrongful employment practice" such "claim" will be deemed to have been first made during such "policy period". The written notice must include the particulars of such "potential claim", including all facts constituting the actual or alleged "wrongful employment practice", the identity of each person allegedly involved in or affected by such "wrongful employment practice", and the date(s) of the alleged events, all of which must be provided as soon as practicable, but in any event prior to the end of such "policy period". Notice of any actual "claim" which is subsequently made with respect to such "potential claim" must be given in accordance with Paragraph B.1. of **SECTION III – CONDITIONS APPLICABLE TO THIS COVERAGE PART**.

B. Exclusions

1. This Employment Practices Liability Coverage will not apply to, and we will have no duty to defend or pay "damages" or "defense expenses" for, any "claim":
 - a. **Property Damage Or Bodily Injury**
For "property damage", or for or arising out of "bodily injury"; provided, that this exclusion will not apply to that portion of a "claim" seeking "damages" for emotional distress, loss of reputation, mental anguish or humiliation.
 - b. **Workers Compensation And Similar Laws**
For any obligation imposed by, or arising out of an insured's failure to comply with, any law concerning workers' compensation, unemployment insurance, social security, disability insurance, or any similar state, federal or local law or regulation;

provided, that this exclusion will not apply to "claims" for "retaliation".

c. Liability Assumed Under Contract Or Agreement

For or arising from or in consequence of the liability of others assumed by an insured under any contract or agreement, oral or written, except to the extent that the insured would have been liable in the absence of such contract or agreement.

d. Express Contract

For or arising from or in consequence of liability of the insured under any express contract or agreement.

e. Independent Contractors

For liability under any agreement governing the terms of the labor or service of an "independent contractor", temporary worker or leased employee with you, your "subsidiary" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph C.1.e..

f. ERISA

For alleged violation of responsibilities, duties or obligations imposed on an insured under the Employee Retirement Income Security Act of 1974 ("ERISA"), including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law; or for an insured's failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an "employee" or dependent in, any employee benefit plan, fund or program, including contracts or agreements which are not subject to the provisions of ERISA; provided, that this exclusion will not apply to "claims" for "retaliation".

g. Other Employment Laws

For alleged violation of responsibilities, duties or obligations imposed on an insured under the Consolidated Omnibus Budget Reconciliation Act of 1985, Workers' Adjustment and Retraining Notification Act, Occupational Safety and Health Act, or amendments thereto or regulations promulgated thereunder, or any similar or related law; provided, that this exclusion will not apply to "claims" for "retaliation".

EMPLOYMENT PRACTICES LIABILITY⁺**h. NLRA, Strikes Or Lockouts**

For or arising out of a lockout, strike, picket line, hiring of replacement workers or other similar action in connection with any labor dispute or labor negotiation; or for or arising out of any alleged violation of responsibilities, duties or obligations imposed on an Insured under the National Labor Relations Act or amendments thereto or regulations promulgated thereunder, or any similar or related law.

i. Pollution

- (1) Based upon or arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any "pollutant";
- (2) Based upon or arising out of any request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, de-toxify or neutralize, or in any way respond to, or assess the effects of, any "pollutant"; or
- (3) Brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, any "pollutant";

provided that this exclusion will not apply to "claims" for "retaliation".

j. Known Wrongful Employment Practice

For or arising out of any fact, transaction or event which is or reasonably would be regarded as a "wrongful employment practice" about which any "responsible person" had knowledge prior to the Continuity Date shown in **ITEM 4.** of the Declarations for this Coverage Part.

k. Prior Or Pending Litigation

For or arising out of any fact, circumstance, situation, transaction, event or "wrongful employment practice" underlying or alleged in any prior or pending civil, criminal, administrative or regulatory proceeding as of the Continuity Date shown in **ITEM 4.** of the Declarations for this Coverage Part.

l. Notice Under Other Policy Of Insurance

For or arising out of any fact, circumstance, situation, transaction, event or "wrongful employment practice" which, before the effective date of this Coverage Part, was the subject of any notice given by or on behalf of any insured under any other policy of insurance.

m. Laws Related To The Payment Of Wages

For any alleged violation of responsibilities, duties or obligations imposed on an insured under any federal, state, or local law or regulation governing or related to the payment of wages including the payment of overtime, on-call time or minimum wages, or the provision of meal or rest breaks, or the classification of employees for the purpose of determining employees' eligibility for compensation under such laws; provided, that this exclusion will not apply to "claims" for "retaliation" or for alleged violations of the Equal Pay Act.

n. Subsidiaries

For or arising out of any actual or alleged "wrongful employment practice" committed by any "subsidiary", any acquired entity, or any person thereof who is an insured, during any time when such entity is not a "subsidiary" or prior to the acquisition of such entity.

2. Under this Employment Practices Liability Coverage, we will have no duty to pay "damages", but will pay "defense expenses", resulting from any "claim" seeking the following:

a. Injunctive Relief

Costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief, including but not limited to actual or anticipated costs and expenses associated with or arising from an insured's obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations thereunder, or any related or similar law or regulation.

EMPLOYMENT PRACTICES LIABILITY⁺**b. Severance Pay or Penalties**

Severance pay or penalties under any policy or procedure providing for payment in the event of separation from employment; or sums sought solely on the basis of a "claim" for unpaid services.

C. Who Is An Insured**1. The following are insureds for Employment Practices Liability Coverage:**

- a. You and any of your "subsidiaries" are insureds.
- b. Any present or former "employees", duly elected or appointed officers, directors, natural person partners or members of the board of managers of, you, your "subsidiaries" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph **C.1.e.** are insureds for actual or alleged "wrongful employment practices" committed in the discharge of his or her duties as such.
- c. Any heir, executor, administrator, assignee or other legal representative of any insured identified in Paragraph **b.** above, is an insured in the event of the death, incapacity or bankruptcy of any such insured identified in Paragraph **b.** while acting in the capacity as legal representative for that deceased insured.
- d. Any person who, at the time the "claim" is made, is a lawful spouse, or a person qualifying as a Domestic Partner under the provisions of any applicable federal, state or local law (a "Domestic Partner"), of an insured, is also an insured, but only if:
 - (1) The "claim" against such spouse or Domestic Partner results from a "wrongful employment practice" actually or allegedly committed by the insured to whom the spouse is married, or to whom the Domestic Partner is joined; and
 - (2) Such insured and his or her spouse or Domestic Partner are represented by the same counsel in connection with such "claim".

However, such spouse or Domestic Partner of an insured will not have any greater right to coverage under this Employment Practices Liability Coverage than the insured to whom such spouse is

married, or to whom such Domestic Partner is joined; and will not be an insured for any "wrongful employment practice" committed by such spouse or Domestic Partner.

- e. Any entity that, during the "policy period", you acquire by merger or form or acquire in which you own more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such corporation's directors, or the right to elect, appoint or designate more than fifty percent (50%) of the members of such limited liability company's board of managers, is an insured, but only for "claims" for "wrongful employment practices" which are committed wholly during the time that you own more than fifty percent (50%) of such entity.

If such acquired or formed entity's "employees" equal more than ten percent (10%) of the combined number of "employees" of you and your "subsidiaries" stated in your most recent application submitted to us, then each of the following is a condition precedent to coverage for such entity:

- (1) Notice of the formation or acquisition has been given to us, and specific request has been submitted to us together with such documentation and information as we require, all within ninety (90) days after the effective date of such formation or acquisition; and
- (2) We have agreed to provide coverage under the Employment Practices Liability Coverage to such entity subject to such additional terms and conditions, including payment of any additional premium, as we may require.

If the acquired or formed entity's "employees" equal no more than ten percent (10%) of the combined number of "employees" of you and your "subsidiaries" stated in your most recent application submitted to us, then notice of such formation or acquisition should be given to us prior to the end of the "policy period".

2. The following are not insureds for Employment Practices Liability Coverage:

- a. Any "subsidiary" or formed or acquired entity is not an insured for any actual or alleged "wrongful employment practice" committed by such entity, or any person thereof who is an insured, during any time prior to such entity becoming your "subsidiary" or prior to your formation or acquisition of such entity.
- b. Any "subsidiary" or formed or acquired entity is not an insured for any actual or alleged "wrongful employment practice" committed by such entity, or any person thereof who is an insured, during any time within the "policy period" after which you cease to own more than fifty percent (50%) of such entity. But so long as this Employment Practices Liability Coverage remains in effect as to you, coverage for such "subsidiary" or formed or acquired entity will continue to apply to "claims" for "wrongful employment practices" committed wholly prior to the date on which you ceased to own more than fifty percent (50%) of such entity.

D. Limit Of Insurance

1. Regardless of the number of persons or entities bringing "claims" and regardless of the number of persons or entities who are insureds, the total limit of our liability to make any payment, including "defense expenses", because of all "claims", including "related claims", made during a single "policy period", will not exceed the amount shown in **ITEM 1.** of the Declarations for this Coverage Part as the Limit of Insurance, regardless of when payment is made and regardless of when an insured's legal obligation with regard thereto arises or is established. Payment of "defense expenses" will reduce and may exhaust the Limit of Insurance.
2. In the event of a judgment in excess of the portion of the Limit of Insurance remaining after prior payments of judgments, settlements, and "defense expenses", our liability with regard thereto will not exceed the then remaining amount of the Limit of Insurance. In no event will we be obligated to make any payment with regard to a "claim" or judgment after the Limit of Insurance has been exhausted by payment or tender of payment with regard to "defense expenses", judgments or settlements.

E. Retention Amount

The Retention Amount shown in **ITEM 1.** of the Declarations for this Coverage Part will be deducted from all amounts, including "defense expenses", paid by us for each "claim". We will be liable only for sums in excess of the Retention Amount. We will have no obligation to pay "damages" or "defense expenses" until the Retention Amount has been paid by the insured. We may elect to pay all or part of the Retention Amount and, upon notice of the action taken by us, the insured will promptly reimburse us such part of the Retention Amount as has been paid by us.

F. Extended Reporting Period

At any time prior to or within thirty (30) days after the effective date of termination or cancellation for any reason other than nonpayment of premium, the first Named Insured may give us written notice that the first Named Insured desires to purchase, subject to the period of time and percent of premium shown in **ITEM 3.** of the Declarations for this Coverage Part, the Extended Reporting Period following the effective date of termination or cancellation, regarding "claims" which may be made during such Extended Reporting Period against persons or entities who at the effective date of termination or cancellation are insureds, but only for "wrongful employment practices" committed wholly prior to the effective date of the termination or cancellation, subject to the following provisions:

1. Such Extended Reporting Period will be deemed to be part of the "policy period" and not in addition thereto.
2. Such Extended Reporting Period will not provide a new, additional or renewed Limit of Insurance, and the Limit of Insurance applicable to all "claims" made during such Extended Reporting Period will be only the remaining portion of the Limit of Insurance for the "policy period" as so extended.
3. Notice of a "Potential Claim" may not be given by any insured during such Extended Reporting Period.
4. Such Extended Reporting Period will terminate on the effective date of any insurance purchased or obtained by the first Named Insured or the first Named Insured's successors in business, which replaces in whole or in part the insurance afforded by this Employment Practices Liability Coverage. If such other policy provides no coverage for acts occurring prior to its effective date, it will not be deemed

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a replacement within the meaning of this provision.

G. Definitions

The following definitions apply to this Employment Practices Liability Coverage:

1. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including loss of consortium or death resulting from any of these at any time.
2. "Claim":
 - a. Means any of the following submitted to an insured by or on behalf of or for the benefit of a "claimant" for an actual or alleged "wrongful employment practice":
 - (1) A written demand for monetary or injunctive relief;
 - (2) A civil or administrative proceeding commenced with a summons, pleading or other legal document; or
 - (3) A written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding;
 - b. Does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement or any type of criminal proceeding.
3. "Claimant" means:
 - a. A present or former "employee" of or applicant for employment with you, your "subsidiary" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph **C.1.e.** ;
 - b. A governmental entity or agency, including but not limited to the Equal Employment Opportunity Commission or similar state or local agency, when acting on behalf of or for the benefit of present or former "employees" or applicants for employment; or
 - c. Any "independent contractor".
4. "Damages":
 - a. Means money which an insured is legally obligated to pay as a result of a "claim", including settlements; judgments; back and front pay; compensatory damages; prejudgment and post-judgment interest; and legal fees and expenses of a "claimant" awarded pursuant to a court order or judgment.
- b. Does not include:
 - (1) Civil or criminal fines; sanctions; punitive or exemplary damages or the multiplied portion of any multiplied damage award; liquidated damages; payroll or other taxes; or damages, penalties or types of relief deemed uninsurable under applicable law;
 - (2) Future compensation, including salary or benefits, for a "claimant" who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a "claim"; or that part of any judgment or settlement which constitutes front pay, future monetary losses including but not limited to pension and other benefits, or other future economic relief or the value or equivalent thereof, if the insured has been ordered, or has the option pursuant to a judgment, order or other award or disposition of a "claim", to promote, accommodate, reinstate, or hire the "claimant" to whom such sums are to be paid, but fails to do so; and
 - (3) Medical, pension, disability, life insurance, stock options or other similar employee benefits, except and to the extent that a judgment or settlement of a "claim" includes a monetary component measured by the value of pension, medical, disability, life insurance, stock options or other similar employee benefits, as consequential damages for a "wrongful employment practice".
5. "Defense Expenses":
 - a. Means reasonable and necessary legal fees and expenses incurred in the investigation, adjustment, defense and appeal of "claims", including but not limited to, cost of expert consultants and witnesses and premiums for appeal, injunction, attachment or supersede as bonds (without the obligation to furnish such bonds);
 - b. Does not include salaries, wages, benefits or overhead of, or paid to, any insured.
6. "Discrimination" means any actual or alleged:
 - a. Violation of any employment discrimination law; or

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- b. Disparate treatment of, or the failure or refusal to hire a "claimant" because he or she is or claims to be a member of a class which is or is alleged to be legally protected.
7. "Employee" means an individual whose labor or service is engaged by and directed by you, your "subsidiary" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph C.1.e. and:
- a. Who is on that insured's payroll, including full-time, part-time and seasonal workers;
 - b. Who is a temporary worker or volunteer; or
 - c. Whose services have been leased by you, your "subsidiary" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph C.1.e.

The status of an individual as an "employee" will be determined as of the date of the actual or alleged "wrongful employment practice".

- 8. "Independent Contractor" means any natural person who performs labor or service solely for you, your "subsidiary" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph C.1.e., on a full-time basis pursuant to a written contract or agreement, where such labor or service is under that insured's exclusive direction. The status of an individual as an "independent contractor" will be determined as of the date of the actual or alleged "wrongful employment practice".
- 9. "Policy Period" means the policy period shown by the dates set forth in the Declarations for this Coverage Part. In no event will the "policy period" continue past the effective date of termination or cancellation of this Coverage Part.
- 10. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 11. "Potential Claim" means a complaint lodged with a "responsible person" that a "wrongful employment practice" has been committed, and which does not constitute a "claim", but which reasonably may be expected to subsequently give rise to a "claim".
- 12. "Prohibited area" means any country or jurisdiction while any trade sanction, embargo or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction.
- 13. "Property damage" means:
 - a. Physical injury to tangible property, including all resulting loss of use of that property; or
 - b. Loss of use of tangible property that is not physically injured.
- 14. "Related Claims" means:
 - a. All "claims" based upon, directly or indirectly arising or resulting from, or in any way involving, the same facts, circumstances, situations, transactions, events or "wrongful employment practices"; and
 - b. All "claims" based upon a series of continuous or related facts, circumstances, situations, transactions, events or "wrongful employment practices".
- 15. "Responsible Person" means:
 - a. A duly elected or appointed officer, director, natural person partner, principal, or member of the board of managers;
 - b. A member of the staff of the human resources department; or
 - c. A member of the in-house legal department or general counsel's office;
 of the Named Insured, any "subsidiary", or any entity that is an insured under the **Who Is An Insured** provision, Paragraph C.1.e . .
- 16. "Retaliation" means "wrongful termination" or other adverse employment action against a "claimant" on account of such "claimant's" exercise or attempted exercise of rights protected by law, refusal to violate any law, or on account of the "claimant" having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law.
- 17. "Sexual Harassment" means unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature: which is made a term or condition of a "claimant's" employment or advancement; which the submission to or rejection of is used as a basis for decisions affecting the "claimant"; or which has the purpose or effect of creating an

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intimidating, hostile or offensive work environment.

18. "Subsidiary" means any corporation or limited liability company in which, on or prior to the first day of the "policy period" shown in the Declarations for this Coverage Part, you own, directly or through one or more "subsidiaries", more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such corporation's directors, or the right to elect, appoint or designate more than fifty percent (50%) of the members of such limited liability company's board of managers.
19. "Workplace Harassment" means harassment, other than "sexual harassment", which creates a work environment that interferes with job performance, or creates an intimidating, hostile, or offensive work environment.
20. "Wrongful Employment Practice" means any of the following occurring in the course of or arising out of the "claimant's" employment, application for employment or performance of services with you, your "subsidiary" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph C.1.e. :
 - a. "Discrimination";
 - b. "Retaliation";
 - c. "Sexual harassment";
 - d. "Workplace harassment";
 - e. "Wrongful termination";
 - f. Breach of employment agreement;
 - g. Violation of the Family Medical Leave Act;
 - h. Employment-related misrepresentation;
 - i. Invasion of privacy, or defamation, including libel or slander;
 - j. Failure to: create or enforce adequate workplace or employment policies and procedures, employ or promote, or grant tenure; and
 - k. Wrongful: discipline, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation.
21. "Wrongful Termination" means actual or constructive termination of an employment relationship with you, your "subsidiary" or any entity that is an insured under the **Who Is An Insured** provision, Paragraph C.1.e., in a manner or for a reason which is contrary to applicable law or public policy, or in violation of an implied employment agreement.

SECTION II – IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE

A. Insuring Agreement

We will reimburse an insured for "expenses" as the direct result of any one "identity fraud" discovered during the "policy period".

This Identity Fraud Expense Reimbursement Coverage applies only to "identity fraud", occurring anywhere in the world except the "prohibited area", which is either discovered during, or occurs wholly during, the "policy period" and is reported to us during the "policy period" or within 30 days following the termination of either:

1. This Coverage Part; or
2. The insured's employment with you or your "subsidiary".

B. Exclusions

This Identity Fraud Expense Reimbursement Coverage does not apply to:

1. Fraudulent, Dishonest or Criminal Acts

Loss due to any fraudulent, dishonest or criminal act by an insured or any person acting in concert with an insured, or by any authorized representative of an insured, whether acting alone or in collusion with others.

2. Loss Other Than Expenses

Loss other than "expenses".

3. When Individual Not An Insured

An "identity fraud" that was discovered, or "expenses" incurred, when an individual was not an insured.

4. Nuclear

Loss due to nuclear reaction, nuclear radiation or radioactive contamination, or due to any act or condition incident to any of the foregoing.

5. War

Loss due to war, whether or not declared, civil war, insurrection, rebellion, revolution, or to any act or condition incident to any of the foregoing.

C. Who Is An Insured

An individual whose labor or service is engaged by and directed by you or your "subsidiaries" and who is on your payroll or the payroll of any of your "subsidiaries" including full-time and part-time workers. The status of an individual as an insured will be determined as of the date such person discovers "identity fraud".

EMPLOYMENT PRACTICES LIABILITY⁺**D. Limit Of Insurance**

Our limit of liability per insured for any one loss covered under this Identity Fraud Expense Reimbursement Coverage will not exceed the applicable Limit of Insurance shown in **ITEM 2.** of the Declarations for this Coverage Part. Under this Identity Fraud Expense Reimbursement Coverage, all losses incidental to an act or series of related acts or arising from the same method of operation, whether committed by one or more persons, will be deemed to arise out of one occurrence and will be treated as one loss. Should one such act cause a covered loss to more than one insured, the available Limit of Insurance under this Identity Fraud Expense Reimbursement Coverage and the deductible amount will apply to each insured separately.

Our liability to any one insured for all losses covered under this Identity Fraud Expense Reimbursement Coverage will not exceed the applicable Limit of Insurance shown in **ITEM 2.** of the Declarations for this Coverage Part.

E. Deductible

We will be liable only for the amount by which any loss exceeds the applicable Deductible Amount as shown in **ITEM 2.** of the Declarations for this Coverage Part. This Deductible Amount applies to each and every loss and will have no aggregate limitation.

F. Definitions

The following definitions apply to this Identity Fraud Expense Reimbursement Coverage:

1. "Expenses" means any of the following incurred by an insured:
 - a. Costs for notarizing fraud affidavits or similar documents for financial institutions or similar credit grantors or credit agencies that have required that such affidavits be notarized.
 - b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
 - c. Lost wages, up to a maximum payment of \$500 per week for a maximum period of four weeks, as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies and/or legal counsel, to complete fraud affidavits, or due to wrongful incarceration arising solely from someone having committed a crime in the insured's name,

provided, that all charges are dropped or the insured is acquitted.

- d. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
 - e. Charges incurred for long distance telephone calls to merchants, law enforcement agencies, financial institutions or similar credit grantors, or credit agencies to report or discuss an actual "identity fraud".
 - f. Reasonable attorney fees incurred, with our prior consent, for:
 - (1) Defense of lawsuits brought against the insured by merchants or their collection agencies,
 - (2) The removal of any criminal or civil judgments wrongly entered against an insured, and
 - (3) Challenging the accuracy or completeness of any information in a consumer credit report.
 - g. Costs for daycare and eldercare incurred solely as a direct result of "identity fraud".
2. "Identity Fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an insured with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law or a felony under any applicable state or local law.
 3. "Policy Period" means the policy period shown by the dates set forth in the Declarations for this Coverage Part; in no event will the "policy period" continue past the effective date of termination or cancellation of this Coverage Part.
 4. "Prohibited area" means any country or jurisdiction while any trade sanction, embargo or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction.
 5. "Subsidiary" means any corporation or limited liability company in which, on or prior to the first day of the "policy period" shown in the Declarations for this Coverage Part, you own, directly or through one or more "subsidiaries", more than fifty percent (50%) of the outstanding securities representing the right to vote for the election of such corporation's di-

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rectors, or the right to elect, appoint or designate more than fifty percent (50%) of the members of such limited liability company's board of managers.

SECTION III – CONDITIONS APPLICABLE TO THIS COVERAGE PART

A. The following Conditions apply to both SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE and SECTION II – IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE in addition to the COMMON POLICY CONDITIONS :

1. Other Insurance

This insurance will apply only as excess insurance over, and will not contribute with, any other valid and collectible insurance available to the insured, unless such other insurance is specifically in excess of the insurance provided by this Coverage Part.

2. Subrogation

In the event of payment under this Coverage Part, we will be subrogated to all of the insured's rights of recovery against any person or organization to the extent of such payment and the insured will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The insured will do nothing to prejudice such rights.

3. Endorsements Applicable To Employment-Related Practices Liability Coverage Part

Any endorsement to this policy that states that it modifies insurance provided under the Employment-Related Practices Liability Coverage Part will be deemed to modify the insurance provided under this Coverage Part.

B. The following Conditions apply to SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE :

1. Insured's Duties In The Event Of A Claim

It is a condition precedent to all insurance afforded by this Employment Practices Liability Coverage that:

- a. In the event the insured becomes aware that a "claim" has been made, written notice of the particulars of such "claim", including all facts constituting any actual or alleged "wrongful employment practice", the identity of each person allegedly involved in or affected by such "wrongful employment practice", and the date(s) of the alleged events, must be provided to

us as soon as practicable but in no event more than ninety (90) days following termination of the "policy period".

- b. The insured must as soon as practicable forward to us every demand, notice, summons or legal process received with respect to any "claim".
- c. The insured must cooperate with us and, upon our request, assist in making settlements and in defense of "claims" and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the insured because of an act or omission insured under this Employment Practices Liability Coverage, must attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.
- d. The insured will not voluntarily settle any "claim", make a settlement offer, assume or admit liability, nor, except at the insured's own cost, voluntarily make any payment, pay or incur any "defense expenses", or assume any obligation or incur any other expense, without our prior written consent, such consent not to be unreasonably withheld.

2. Action Against Us

No action will lie against us unless, as a condition precedent thereto, there will have been full compliance with all of the terms of his Employment Practices Liability Coverage, nor until the amount of the insured's obligation to pay has been finally determined either by judgment against the insured after actual trial or by written agreement of the insured, the "claimant" and us.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement will thereafter be entitled to recover under this Employment Practices Liability Coverage, in a court of competent jurisdiction in the United States, its territories or possessions, or Canada, to the extent of the insurance afforded by this Employment Practices Liability Coverage. No person or organization will have any right under this Employment Practices Liability Coverage to join us as a party to any action against the insured to determine the insured's liability, nor will we be impleaded by the insured or said insured's legal representative. Bankruptcy or insolvency of the insured will

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not relieve us of any of our obligations hereunder.

3. Representations

By accepting this Employment Practices Liability Coverage, each insured represents and agrees that the statements contained in the application, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said insured's agreements and representations, that such representations are material to our acceptance of this risk, that we issued this Employment Practices Liability Coverage in reliance upon the truth of such representations, and it embodies all agreements between said insured and us or any of our agents.

If any statement or representation in the application is untrue with respect to this Employment Practices Liability Coverage, this Employment Practices Liability Coverage is void and of no effect whatsoever, but only with respect to:

- a. Any natural person who is an insured under the **Who Is An Insured** provision, Paragraph C.1.b.,c. or d. who knew, as of the effective date of this Coverage Part, that the statement or representation was untrue;
- b. Any Named Insured, any "subsidiary" or any entity that is an insured under the **Who is an Insured** provision, Paragraph C.1.e., if any "responsible person" knew that the statement or representation was untrue.

Whether a natural person who is an insured under the **Who Is An Insured** provision, Paragraph C.1.b.,c. or d. or any "responsible person" had such knowledge will be determined without regard to whether the natural person who is an insured under the **Who Is An Insured** provision, Paragraph C.1.b.,c. or d. or the "responsible person" actually knew the application, or any other applications completed or submitted for this Employment Practices Liability Coverage, contained any such untrue statement or representation.

4. Change Of Control

If more than fifty percent (50%) of the ownership of the first Named Insured is changed during the "policy period", this Employment Practices Liability Coverage will continue in full force and effect with respect to "claims" for "wrongful employment practices" commit-

ted wholly prior to such event, but coverage will cease with respect to "claims" for "wrongful employment practices" committed, in whole or in part, after such event.

C. The following Conditions apply to **SECTION II – IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE** :

1. Change in Exposure

If, at any time during the "policy period", the number of insureds exceeds one hundred fifty per cent (150%) of the number of insureds stated in your most recent application submitted to us, then you will immediately provide written notice to us of such increase in insureds and will pay any additional premium that we may require.

2. Recoveries

Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Identity Fraud Expense Reimbursement Coverage will be distributed as follows:

- a. First, to the insured, until the insured is reimbursed for any loss that was sustained by the insured that exceeds the Limit of Insurance and the Deductible Amount, if any;
- b. Then to us, until we are reimbursed for the settlement made; and
- c. Then to the insured until the insured is reimbursed for that part of the loss equal to the Deductible Amount, if any.

Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for our benefit.

3. Ownership Interests Covered

This Identity Fraud Expense Reimbursement Coverage will be for the sole use and benefit of the insured and you. It provides no rights or benefits to any other person, entity, or organization.

4. Insured's Duties When Loss Occurs

Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim under the terms of this Identity Fraud Expense Reimbursement Coverage, the insured will give notice thereof as soon as practicable to us, and file detailed proof of loss, duly sworn to, with us within one hundred twenty (120) days after the discovery of loss. If the loss involves a violation of law, the insured will also notify the police.

EMPLOYMENT PRACTICES LIABILITY⁺

Upon our request, the insured will submit to examination by us, subscribe the same, under oath if required, and produce for our examination all pertinent records, all at such reasonable times and places as we will designate, and will cooperate with us in all matters pertaining to loss or claims with respect thereto. Compliance with all terms and conditions of this Identity Fraud Expense Reimbursement Coverage is a precedent to recovery under this Identity Fraud Expense Reimbursement Coverage.

The insured will keep books, receipts, bills and other records in such manner that we can accurately determine therefrom the amount of any loss. At any time subsequent to the reporting thereof to us, we may examine and audit the insured's books and records as they relate to a loss under this Identity Fraud Expense Reimbursement Coverage.

5. Action Against Us

No action will lie against us unless, as a condition precedent thereto, there will have been

full compliance with all terms of this Identity Fraud Expense Reimbursement Coverage, nor until 90 days after the required proof of loss has been filed with us, nor at all unless commenced within two years from the date when the insured first discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Identity Fraud Expense Reimbursement Coverage, the shortest permissible statutory limitation of time will govern and will supersede the time limitation herein stated.

6. Concealment or Misrepresentation

This Indemnity Fraud Expense Reimbursement Coverage is void as to any insured if, at any time, such insured intentionally conceals or misrepresents a material fact concerning either this insurance or a claim under this insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE FOR FINANCIAL INTEREST IN FOREIGN ORGANIZATIONS – EMPLOYMENT PRACTICES LIABILITY⁺

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY⁺ WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COV-
ERAGE FORM

PROVISIONS

1. The following is added to Paragraph **A.**, **Insuring Agreement**, of **SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE**:

In the event of "foreign employment practices loss" incurred by a "foreign insured organization", or by any other insured for whom such "foreign insured organization" is liable, we will reimburse the first Named Insured, or any other Named Insured that is not a "foreign insured organization", for such "foreign employment practices loss" because of its "financial interest" in that "foreign insured organization". For purposes of this insurance, amounts we reimburse under:

- a. Paragraph **a.** of the definition of "foreign employment practices loss" will be deemed to be "damages" we pay on behalf of such Named Insured under this Employment Practices Liability Coverage; and
 - b. Paragraph **b.** of the definition of "foreign employment practices loss" will be deemed to be "defense expenses" we pay on behalf of such Named Insured under this Employment Practices Liability Coverage.
2. The following replaces Paragraph **A.3.** of **SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE**:
3. This Employment Practices Liability Coverage applies to any "wrongful employment practice" that is committed and "claim" that is made anywhere in the world.
3. The definition of "prohibited area" in the **DEFINITIONS** Section of **SECTION I – EMPLOYMENT PRACTICES LIABILITY COVERAGE** is deleted.
4. The following is added to the **DEFINITIONS** Section of **SECTION I – EMPLOYMENT**

PRACTICES LIABILITY COVERAGE:

"Financial interest" means the insurable interest in a "foreign insured organization" because of:

- a. Sole ownership of, or majority ownership interest in, such "foreign insured organization", either directly or through one or more intervening subsidiaries;
- b. Indemnification of, or a legal obligation to indemnify:
 - (1) Such "foreign insured organization"; or
 - (2) Any other insured for whom such "foreign insured organization" is liable;
 for a "foreign employment practices liability loss"; or

- c. Any obligation to obtain insurance for such "foreign insured organization".

"Foreign employment practices liability loss" means:

- a. "Damages" we would have paid on account of a "claim" to which this Employment Practices Liability Coverage would have applied; or
- b. "Defense expenses" that we would have paid on account of any "claim" against an insured that we would have defended;

but for the fact that such insured is located in any country or jurisdiction in which we are not licensed to provide this Employment Practices Liability Coverage and where providing this Employment Practices Liability Coverage would violate the laws or regulations of such country or jurisdiction.

"Foreign insured organization" means any organization that:

- a. Is an insured under Paragraph **C.**, **Who Is An Insured**, of **Section I – Employment Practices Liability Coverage**; and
- b. Is located in a country or jurisdiction in which

EMPLOYMENT PRACTICES LIABILITY*

we are not licensed to provide this insurance and where providing this insurance would violate the laws or regulations of such country or jurisdiction.

5. The following is added to Paragraph B. of **SECTION III – CONDITIONS APPLICABLE TO THIS COVERAGE PART:**

Insured's Duties In The Event Of A Claim For Foreign Employment Practices Liability Loss

In the event of a "claim" for "foreign employment practices liability loss" made against a "foreign in-

sured organization", or any other insured for whom such "foreign insured organization" is liable, the first Named Insured must:

- a. Arrange to investigate and defend such "claim";
- b. Notify us in writing in advance of any proposed settlement of such "claim";
- c. Comply with all other conditions of this Coverage Part as if such "claim" was made against any insured that is not a "foreign insured organization".



LIMITATION WHEN TWO OR MORE POLICIES APPLY



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE

This endorsement applies to the insurance provided under the following:

COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE
COMMERCIAL GENERAL LIABILITY COVERAGE PART
CYBERFIRST ESSENTIALS LIABILITY COVERAGE PART
CYBERFIRST LIABILITY COVERAGE
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY* WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COV-
ERAGE PART
ENVIRONMENTAL HAZARD POLICY
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE
LAW ENFORCEMENT LIABILITY COVERAGE PART
LIMITED ABOVE GROUND POLLUTION LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND
INFORMATION SECURITY LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF TRANS-
PORTATION
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART
Any other Commercial Liability coverage included in this policy that is subject to the federal Terrorism
Risk Insurance Act of 2002 as amended

PROVISIONS

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury – in consultation with the Secretary of Homeland Security and the Attorney General of the United States – to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

- 85% with respect to such Insured Losses occurring in calendar year 2015.
- 84% with respect to such Insured Losses occurring in calendar year 2016.
- 83% with respect to such Insured Losses occurring in calendar year 2017.
- 82% with respect to such Insured Losses occurring in calendar year 2018.
- 81% with respect to such Insured Losses occurring in calendar year 2019.
- 80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is included in the premium for such coverage. The charge for such Insured Losses that has been included for each such coverage is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA.

- **1% of each applicable Commercial Liability Coverage premium.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT OF COMMON POLICY CONDITIONS –
PROHIBITED COVERAGE – UNLICENSED INSURANCE
AND TRADE OR ECONOMIC SANCTIONS**

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

Prohibited Coverage – Unlicensed Insurance

1. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
 - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

Prohibited Coverage – Trade Or Economic Sanctions

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CYBERFIRST ESSENTIALS LIABILITY COVERAGE PART
CYBERFIRST LIABILITY COVERAGE
DELUXE PROPERTY COVERAGE PART
EMPLOYEE BENEFITS LIABILITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EMPLOYMENT PRACTICES LIABILITY* WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE PART
ENVIRONMENTAL HAZARD POLICY
EQUIPMENT BREAKDOWN COVERAGE PART
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE
LAW ENFORCEMENT LIABILITY COVERAGE PART
LIMITED ABOVE GROUND POLLUTION LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND INFORMATION SECURITY LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF TRANSPORTATION
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART
Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

If aggregate insured losses attributable to "certified acts of terrorism" exceed \$100 billion in a calendar year and we have met our insurer deductible under "TRIA", we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of "TRIA", to be an act of terrorism pursuant to "TRIA". The criteria contained in "TRIA" for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to "TRIA"; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
FARM COVERAGE PART

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense, rental value or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.



GENERAL PURPOSE ENDORSEMENT

POLICY NUMBER: 680-6G72410A-15-42

STORE PAC

ISSUE DATE: 12/17/2015

The Named Insured is amended to read:

VINCENT & LUCY MARTINEZ

DBA ICE BOX BEER WINE AND LIQUOR STORE

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
FARM COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

In our determination of the actual cash value of Covered Property at the time of loss or damage, we will take into account factors such as depreciation, deterioration and obsolescence.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA CHANGES – APPRAISAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL
COVERAGES, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE
FORM
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM

- A.** Except as provided in **B.** below, the APPRAISAL Condition is replaced by the following:

APPRAISAL

If we and you disagree on the value of the property or the amount of loss ("loss"), both parties may agree in writing to an appraisal of the loss ("loss") and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

- B.** The APPRAISAL Condition in:

- 1.** Business Income Coverage Form (And Extra Expense) **CP 00 30**;
- 2.** Business Income Coverage Form (Without Extra Expense) **CP 00 32**; and

- 3.** Capital Assets Program Coverage Form (Output Policy), **OP 00 01**, Paragraph **A.7.** Business Income and Extra Expense;

is replaced by the following:

APPRAISAL

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, both parties may agree in writing to an appraisal of the loss and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEBRASKA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:

2. Cancellation Of Policies In Effect

a. 60 Days Or Less

If this policy has been in effect for 60 days or less, we may cancel this policy for any reason.

b. More Than 60 Days

If this policy has been in effect for more than 60 days or if this is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) The policy was obtained through material misrepresentation;
- (3) Any insured has submitted a fraudulent claim;
- (4) Any insured has violated the terms and conditions of this policy;
- (5) The risk originally accepted has substantially increased;
- (6) Certification to the Director of Insurance of our loss of reinsurance which provided coverage to us for all or a substantial part of the underlying risk insured; or
- (7) The determination by the Director of Insurance that the continuation of the policy could place us in violation of the Nebraska Insurance Laws.

c. If we cancel this policy subject to 2.a. or 2.b. above, we will mail to the first Named Insured a written notice of cancellation, stating the reasons for cancellation, at least:

1. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
2. 60 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail our notice by first class mail to the first Named Insured's last mailing address known to us. A United States Postal Service Certificate of Mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate of mailing.

B. Paragraph 6. of the Cancellation Common Policy Condition does not apply.

C. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail written notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured, at least 60 days prior to the expiration date of this policy.
2. Any notice of nonrenewal will be mailed by first class mail to the first Named Insured's last mailing address known to us. A United States Postal Service Certificate of Mailing shall be sufficient proof of receipt of notice on the third calendar day after the date of the certificate of mailing.

NEBRASKA CHANGES – APPRAISAL

BOILER AND MACHINERY COVERAGE PART
BUSINESSOWNERS COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART– FARM PROPERTY COVERAGE FORM
FARM COVERAGE PART–MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
FARM COVERAGE PART– LIVESTOCK COVERAGE FORM

- If we and you disagree on the value of the property or the amount of loss ("loss") both parties may agree in writing to an appraisal of the loss ("loss") and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- If there is an appraisal, we will still retain our right to deny the claim.

- ## APPRAISAL

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, both parties may agree in writing to an appraisal of the loss and to be bound by the results of that appraisal. If both parties so agree, then each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss.

If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim

IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER COMPENSATION

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.

For information about how Travelers compensates independent agents and brokers, please visit www.travelers.com, call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.



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IMPORTANT NOTICE – RISK MANAGEMENT PLUS⁺ ONLINE[®] FROM TRAVELERS BOND & FINANCIAL PRODUCTS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT, BROKER OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL

Thank you for choosing Travelers for your insurance needs. Travelers Select Accounts and Bond & Financial Products have partnered to offer you Employment Practices Liability⁺ with Identity Fraud Expense Reimbursement. Travelers Bond & Financial Products is a market leader in providing management liability coverage that is in-synch with your private company. As your risks evolve, so do we through our ability to provide you with responsive risk management services.

With your purchase of Employment Practices Liability⁺ with Identity Fraud Expense Reimbursement, Travelers is pleased to provide you with Risk Management PLUS⁺ Online, the industry's most comprehensive program for mitigating your management liability exposures. The site includes risk management tools for Employment Practices Liability, Identity Fraud Expense Reimbursement, and many other liability coverage related exposures

Risk Management PLUS⁺ Online is a flexible, comprehensive loss prevention program specifically designed for Travelers customers and is available to you at no additional cost. Included in the site is a library of articles, checklists and training on relevant risk mitigation topics for the management liability areas mentioned above.

Highlights of Risk Management PLUS⁺ Online services include:

- Web-based risk management training
- Weekly articles on current issue
- Model policies and forms for downloading or printing that cover major risks associated with the workplace

The attached Risk Management PLUS⁺ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS⁺ Online representative. It's that simple.

We strongly encourage you to take full advantage of this program. Once again, thank you for choosing Travelers.

Instructions for Registration & Orientation to Risk Management PLUS⁺Online[®]

Registration for Site Administrators:

The Site Administrator is the person in your organization who will oversee Risk Management PLUS⁺Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities.

To register:

- 1) Go to www.rmplusonline.com.
- 2) In the Sign-In box, click **Register**.
- 3) Enter the password/passcode: TRVP160000 (Please note there are 4 letters followed by 6 numbers in the code)
- 4) Fill in the Registration Information and click **Submit**.
- 5) Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:

- 1) Go to www.rmplusonline.com. On each page, you will see a box outlined in blue that contains the instructions for use of that page.
- 2) If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
- 3) You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

**IMPORTANT NOTICE – RISK MANAGEMENT PLUS+ ONLINE®
FROM TRAVELERS BOND & FINANCIAL PRODUCTS –
EMPLOYMENT PRACTICES LIABILITY HOTLINE**

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Employment Practices Liability Hotline

As part of the services provided through Risk Management PLUS+ Online®, Travelers is pleased to provide its Employment Practices Liability+ with Identity Fraud Expense Reimbursement coverage policyholders with unlimited access to a toll-free hotline designed to provide quick, practical guidance on day-to-day workplace issues.

To utilize the hotline, call **1-866-EPL-TRAV (1-866-375-8728)**.

Through this hotline, policyholders are eligible to receive free general guidance from the national employment law firm of Jackson Lewis, LLP. The hotline is available toll-free from anywhere in the United States.

We have developed this program in conjunction with Jackson Lewis LLP, one of the largest law firms in the country, exclusively dedicated to representing management on workplace issues. With more than 650 attorneys, in 46 offices countrywide, the firm has both a recognized expertise in workplace-related issues and a sensitivity to regional business environments.

From reviewing the proper steps for a sexual harassment investigation to discussing general factors to consider before you make day-to-day employment decisions, the firm's attorneys are available to assist policyholders in managing their workplace risk and minimizing employment related claims. As part of this program, policyholders are also eligible to receive a 10 percent discount on Jackson Lewis' regular fees for matters beyond the scope of the hotline, such as those dealing with specific employees or areas not within the scope of their policy. Similarly, the hotline cannot be used to report a claim regardless of any disclosure made to Jackson Lewis.

We encourage policyholders to take advantage of this no-cost hotline. For more information about the hotline, go to www.rmplusonline.com/EPLhotline.

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.



Thank you for choosing Travelers for your Cyber insurance needs. As a value-added service, your company now has access to the Travelers **eRisk Hub®**, **powered by NetDiligence®**.

The Travelers eRisk Hub is a private web-based portal containing information and technical resources that can assist you in the prevention of network, cyber and privacy events and support you in a timely response if an incident occurs. The Travelers eRisk Hub portal features news, content and services from leading practitioners in risk management, computer forensics, forensic accounting, crisis communications, legal counsel, and other highly-specialized segments of cyber risk.

Please note the following:

1. The Travelers eRisk Hub portal is a private site provided to customers of Travelers. Please do not share portal access instructions with anyone outside your organization. You are responsible for maintaining the confidentiality of the **Access Code** provided.
2. You must register to use the portal. Ideal candidates include your company's Risk Manager, Compliance Manager, Privacy Officer, IT Operations Manager and Legal Counsel.
3. The Travelers eRisk Hub contains a directory of experienced providers of cyber risk management and breach recovery services. Travelers does not specifically endorse these companies or their respective services. Before you engage any of these companies, we urge you to conduct your own due diligence to ensure the companies and their services meet your needs. Unless otherwise indicated or approved, payment for services provided by these companies is your responsibility.
4. Should you experience a data breach event, you may choose to call the Breach Coach® listed in the portal for immediate triage assistance. Your initial consultation of up to one half-hour is free of charge. Please be aware that the Breach Coach service is provided by a third-party law firm. Therefore, contacting the Breach Coach does NOT satisfy the claim or event notification requirements of your policy. If you wish to report a claim or event to Travelers visit us at: **<https://www.travelers.com/claim/index.aspx>**.

To register for the Travelers eRisk Hub:

1. Go to **<https://www.eriskhub.com/travelers.php>**.
2. Complete the registration form. Your **Access Code** is **13881**.
3. Once registered, you can access the portal immediately.

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law.

Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.

Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.

PN T0 53 12 13

IMPORTANT NOTICE – JURISDICTIONAL INSPECTIONS

NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR LOCAL COMPANY REPRESENTATIVE IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY PREVAIL.

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We Insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then;

Call this toll-free number – **1-800-425-4119**

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

REQUEST FOR JURISDICTIONAL INSPECTION

Name of
Business: _____

(As Shown on Policy)

Policy
Number: _____

Location of Equipment:

City

State

ZipCode

Person to Contact for Scheduling Inspection: _____

Telephone Number of Person to Contact: _____

Equipment Type	Certificate Number	Certificate Expiration Date

Fax Form to 1-877-764-9535

Completed by: _____ Phone Number: _____



Report Claims Immediately by Calling

1-800-238-6225

*Speak directly with a claim professional
24 hours a day, 365 days a year*

Unless Your Policy Requires **Written Notice** or Reporting

STORE PAC

LIQUOR



A Custom Insurance Policy Prepared for:

**VINCENT & LUCY MARTINEZ
DBA ICE BOX BEER WINE AND LIQUOR STORE
1402 CENTER AVENUE
MITCHELL NE 69357**

Presented by: J G ELLIOTT COMPANY



2017-3525

NUM PAGES 1
 DOC TAX \$18.00 CHG
 FEES \$10.00 CHG
 TOTAL \$28.00
 REC'D Title Express Services LLC
 RET

NUM INDEX
 COMPUTER C #
 PICTURED C
 IMAGED

NEBRASKA DOCUMENTARY
 STAMP TAX
 Jul 07, 2017
 \$ 18.00 By JBauer

RECORDED
 SCOTTS BLUFF COUNTY, NE
 Date Jul 07, 2017 Time 09:19 AM
Inst. 2017-3525
Jean A. Bauer
 REGISTER OF DEEDS
 ELECTRONICALLY RECORDED

WARRANTY DEED

MICHAEL R. MILLER AND LEIGH A. MILLER, Husband and Wife, (whether one or more) **Grantor**, in consideration of one dollar or other valuable consideration, receipt of which is hereby acknowledged, conveys to **VINCENT MARTINEZ and LUCY MARTINEZ, Husband and Wife**, (whether one or more) **GRANTEE**, as joint tenants with rights of survivorship the following described real estate (as defined in Neb. Rev. Stat. 76-201) in Scotts Bluff County, Nebraska:

The West 150 feet of the East 334.5 feet of Lot 25, Lingle and Reids Addition to the City of Mitchell, Scotts Bluff County, Nebraska, EXCEPT for said tract conveyed to the State of Nebraska, Department of Roads as described by Warranty Deed recorded in Scotts Bluff County Deed Book 177, Page 604.

Subject to existing easements, rights-of-way, reservations and restrictions apparent and of record.

Grantors warrant jointly and severally with the Grantees that Grantor:

- (1) is lawfully seised of such real estate and that it is free from encumbrances;
- (2) has legal power and lawful authority to convey the same;
- (3) and will defend the title to the real estate against the lawful claims of all persons who claim an interest.

Executed on this 6 day of July, 2017

[Signature of Michael R. Miller]
 MICHAEL R. MILLER
[Signature of Leigh A. Miller]
 LEIGH A. MILLER

STATE OF NEBRASKA)
) ss
 COUNTY OF SCOTTS BLUFF)

On July 6, 2017, before me, the undersigned Notary Public, personally came MICHAEL R. MILLER and LEIGH A. MILLER, Husband and Wife, known to me to be the identical persons whose names are affixed to the foregoing instrument and they acknowledged the execution thereof to be their voluntary act and deed.



[Signature of Notary Public]
 Notary Public /Seal

4

TRAVELLERS
Travelers Casualty Insurance Company Of America
P. O. Box 2930
Overland Park, KS 66201-1330

08/31/2017

Sterling T Huff Attorney At Law PC LLO
Attn Sterling T. Huff
20 E 16th Street
Gering NE 69341

Insured: Vincent - Lucy Martinez DbA Ice Box Beer Wine and
Claim Number: A2A3215
Policy Number: 680 -6G72410A
Date of Loss: 08/20/2016
Loss Location: 2168 Broadway St Mitchell NE

Dear Mr. Huff,

Please accept this letter as follow up to your letter dated August 9, 2017 and received by Travelers Casualty Insurance Company of America, hereto referred to as Travelers, on August 28, 2017. Travelers has reviewed your request for additional fund for the repairs to the insured's business. It was determined that the insured's policy limit for coverage property is \$40,000. The estimated damaged exceeds this limit and the full limit of insurance for covered property was issued. Your letter references other policies terms such as Newly Acquired or Constructed Property and Extra Expense.

We have further reviewed these policies terms and found these are not applicable to this loss. The term for Newly Acquired or Construct Property applies if the insured had purchased or built another location but that location was damaged by a covered cause of loss before was able to be added to the policy. Since the insured had not built or purchased a new property that was damaged by a covered cause of loss, this policy terms is not applicable. Further the Extra Expense also does not apply as you indicate in your letter that the insured has choose to remain in their location as they feel this is a prime spot. Had the insured choose to move the business and there was some expense that they incurred to do so, which also resulted in the reduction of lost income, then the Extra Expense terms would have been considered.

We regret that we cannot be of further assistance in this matters. Travelers suggests that you communicate your request with the responsible party's carrier. Should you have any other questions please feel free to contact me at (402) 651-1150 or jkimmina@travelers.com.

Sincerely,

Josh A Kimminau
Claim Professional
Direct: (402)651-1150
Office: (800)348-6944 Ext. 963-1729
Fax: (877)786-5571
Email: JKIMMINA@travelers.com

RECEIVED SEP 12 2017

STERLING T. HUFF

Attorney at Law, PC, LLO

20 East 16th Street
Gering, Nebraska 69341

Telephone: (308) 635-4900
Facsimile: (308) 635-4949

STERLING T. HUFF

August 9, 2017

Josh Kimminas
Travelers Insurance
P.O. Box 2930T
Overland Park Kansas 66201
jkimmina@travelers.com

Re: Martinez, Vincent & Lucy
File No.: 028 FR A2A3215 H
D/Loss: 08/20/16

Dear Josh:

This letter/e-mail is in reference to our telephone conversation about two weeks ago. I am the attorney for ICE BOX / Vince & Lucy Martinez. I am still waiting on the Martinez family attorney regarding their loss of business numbers.

Please find enclosed and estimate from Wyobraska Remodeling & Restoration for \$266,637.40. As you are aware their Martinez family policy provides for "Damage for Premises Rented to you" of \$300,000.00. The policy also covers on Page 8 J. Newly acquired or constructed property (ii) Buildings you acquire by purchase or lease at any premises, including those premises shown in the Declarations. The policy also covers on Page 3 extra expenses to avoid or minimize the suspension of business and to continue operations at the described premises or at replacement premises or temporary locations including relocation expenses and costs to equip and operate the replacement premises or temporary locations.

Prior to my involvement the Martinez family gave two relocation estimates to Traveler's local agent, J.G. Elliott. The first one in February, 2016 they were told by Janet Frederick that "it was too much and to get a lower one" and were led to believe that Travelers would pay it. The Martinez family got another estimate, which was lower, and would have caused the Martinez family to cut significant corners, and Traveler's did not pay that estimate either. The result has left the Martinez family out of business.

Perhaps ironically, the Martinez family almost felt pressured to buy the business loss policy from Janet Frederick. They did not at the time believe that they would need that kind of a policy, but decided to go ahead with it. Fortunately they did agree to and did buy the policy. Obviously the

Martinez family never suspected that a drunken young man would be traveling in excess of one hundred (100) miles per hour, careen off the road, fly through their parking lot, and destroy their business and building. The Martinez family regrets the loss of life that was caused by this senseless act and express their deepest sympathies to that person's family. Looking at the photos and the engine itself being ejected from the pickup it is amazing that any of these young folks survived the crash. I assume you have photographs of your own, but I am enclosing a few for your convenience.

The Martinez family would like to resolve the 'business relocation' part of their policy so that they can get back into operation. The Martinez family demand is for \$266,637.00. Please be advised that this does NOT include any additional business losses. The Martinez family wants to get construction underway. They want to get their business reestablished. They request that payment be tendered in full in fourteen (14) calendar days. Obviously this is a claim against the Martinez family's own insurance company for which they can collect attorney's fees under Nebraska law. The Martinez family will waive their attorney's fees claim on the business relocation part of the policy if the matter is resolved in the requested time frame.

This estimate is commensurate with the previous two estimates. The Martinez liquor store was on a major highway, with excellent access and visibility. The first two estimates had the Martinez store in a location in a different city, well off of the main street in Scottsbluff, in a low traffic area. Due to the lack of commitment by Travelers for those estimates the Martinez family has decided it will not relocate to a low traffic area and suffer additional business loss of income. The Martinez family has decided to go back to the high visibility area so that they can have a sales volume that they experienced before this unfortunate situation. That is why you now have a new estimate.

I appreciate your cooperation in this matter. Should you have any questions or concerns, please do not hesitate to contact me.

Best regards,


Sterling T. Huff

STH/mdf



2132 Center Ave. Mitchell, NE 69357

1 of 2

Sean Hopkins (308)-225-2665

Josh Hopkins (308)-225-1462

TO Vince Martoney -
 ADDRESS _____
 CITY Seb NE-
 RE New Stone Property -

DATE 1-17-17
 CUSTOMER ORDER # _____
 BILL _____
 ESTIMATE X
 SALESMAN Sean

QTY	DESCRIPTION	AMOUNT
	Phase 1	
	1) Content manipulation	2,800.00
	2) Demolition, Debris Removal & Disposal	8,585.00
	Sub	11,385.00
	Phase 2	
	1) Form & Pop R new Floor	26,000.00
	Sub	
	Phase 3	
	1) Frame up walls & Ceiling	39,575.00
	Sub	
	Phase 4	
	Electrical	
	1) Rough in walls & Ceiling	15,000.00
	2) Install new Lighting	11,340.00
	3) Finish Electrical	6,000.00
	Sub	32,440.00
	Phase 5	
	Drywall	
	1) Sheet Rock Ceiling & walls	12,755.40
	2) Texture Ready for Paint	11,750.00
	3) Paint Ceiling & walls 2 coats	12,000.00
	Sub	36,505.40

Signature _____

Signature _____

All Work Guaranteed
Bonded & Insured



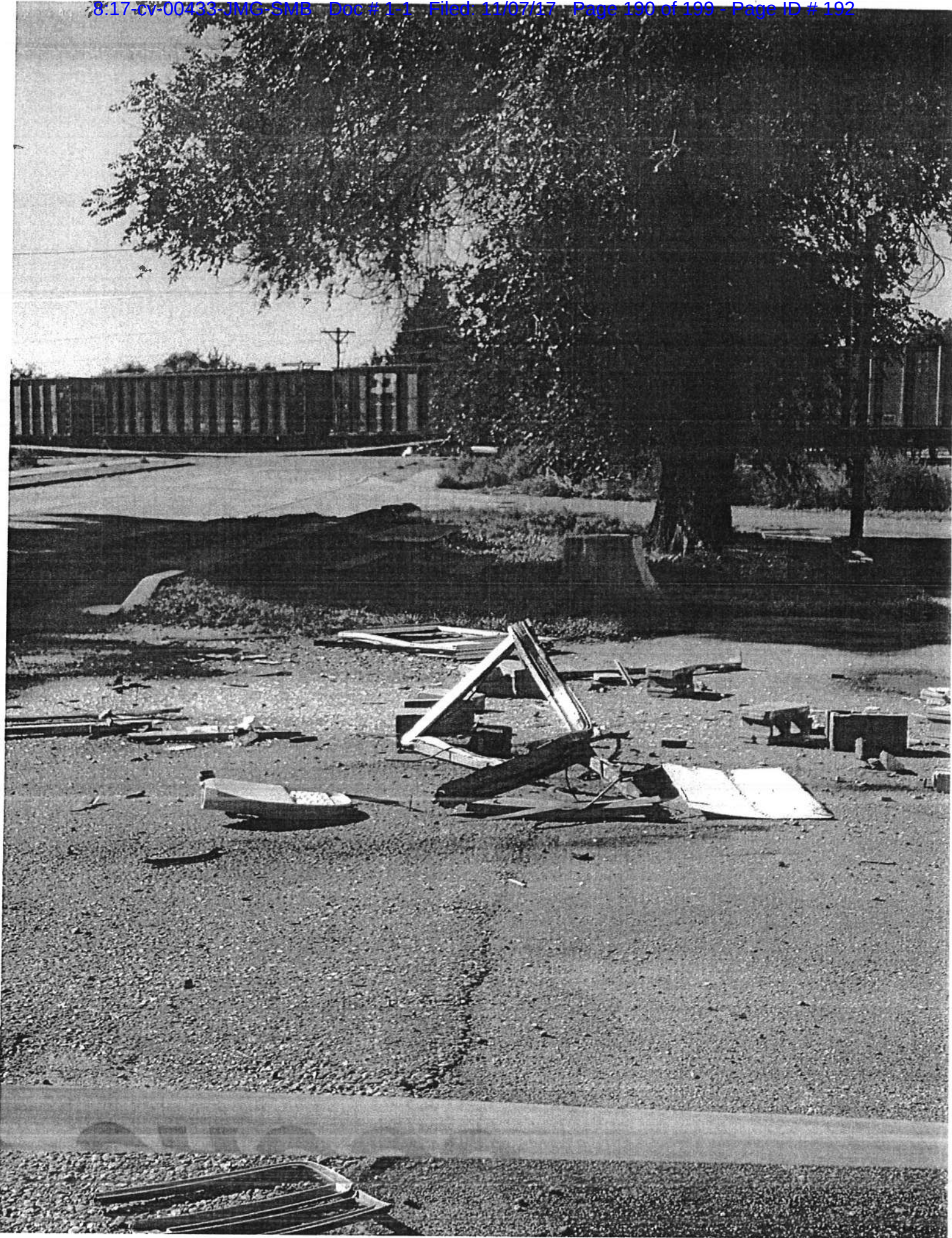
To _____
ADDRESS _____
CITY _____
RE _____

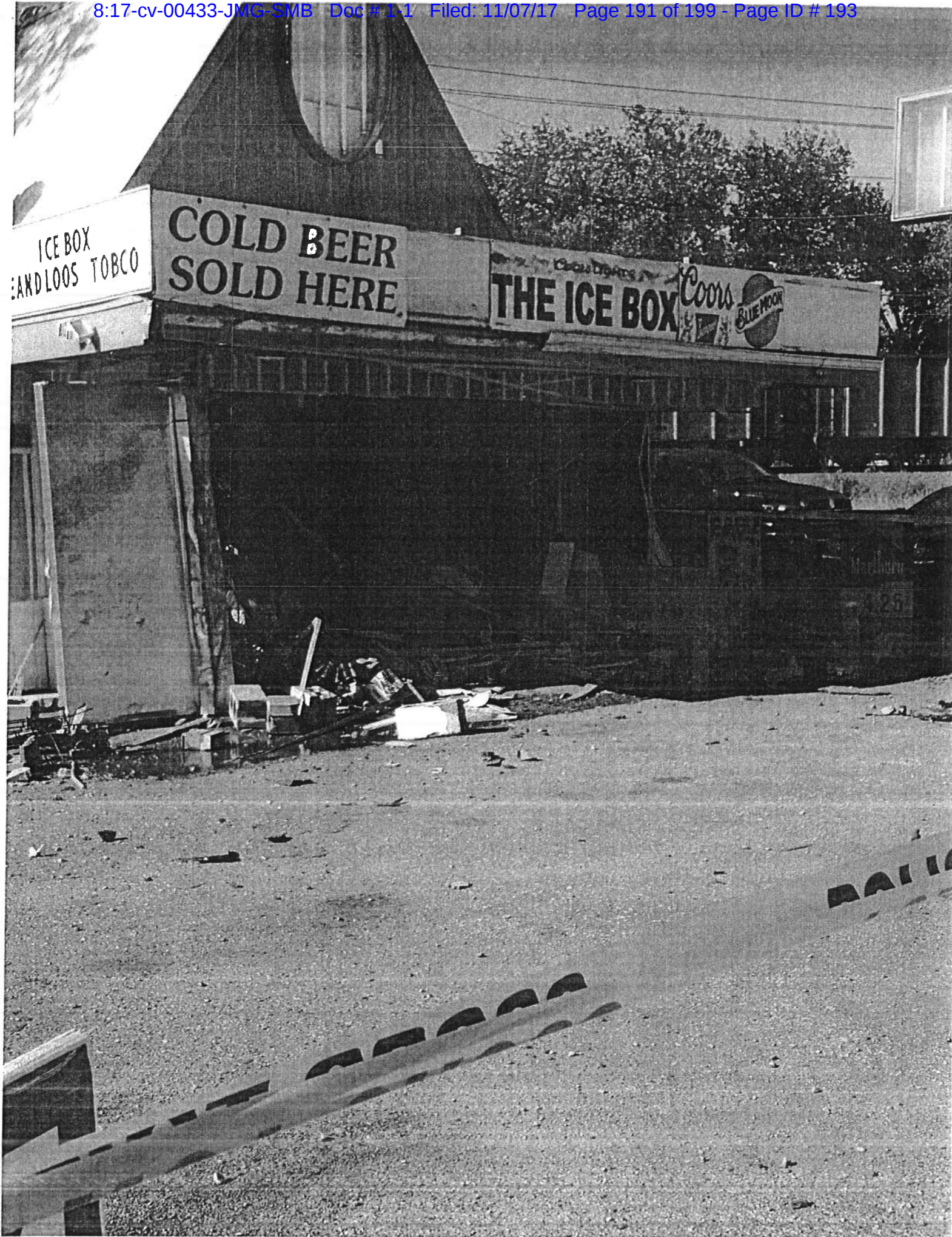
DATE _____
CUSTOMER ORDER # _____
BILL _____
ESTIMATE _____
SALESMAN _____

Signature _____

Signature _____

Ref No: 9-21103459

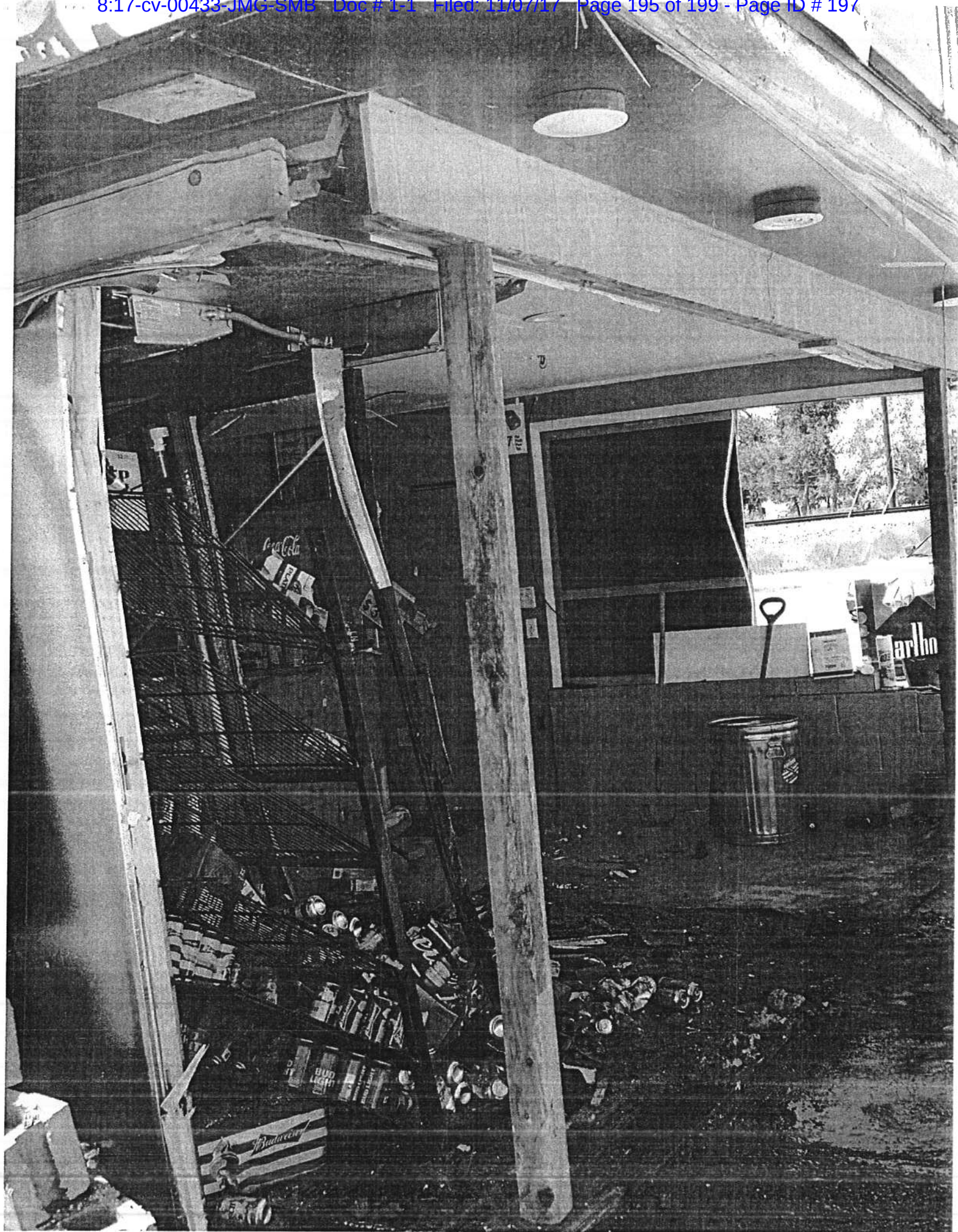


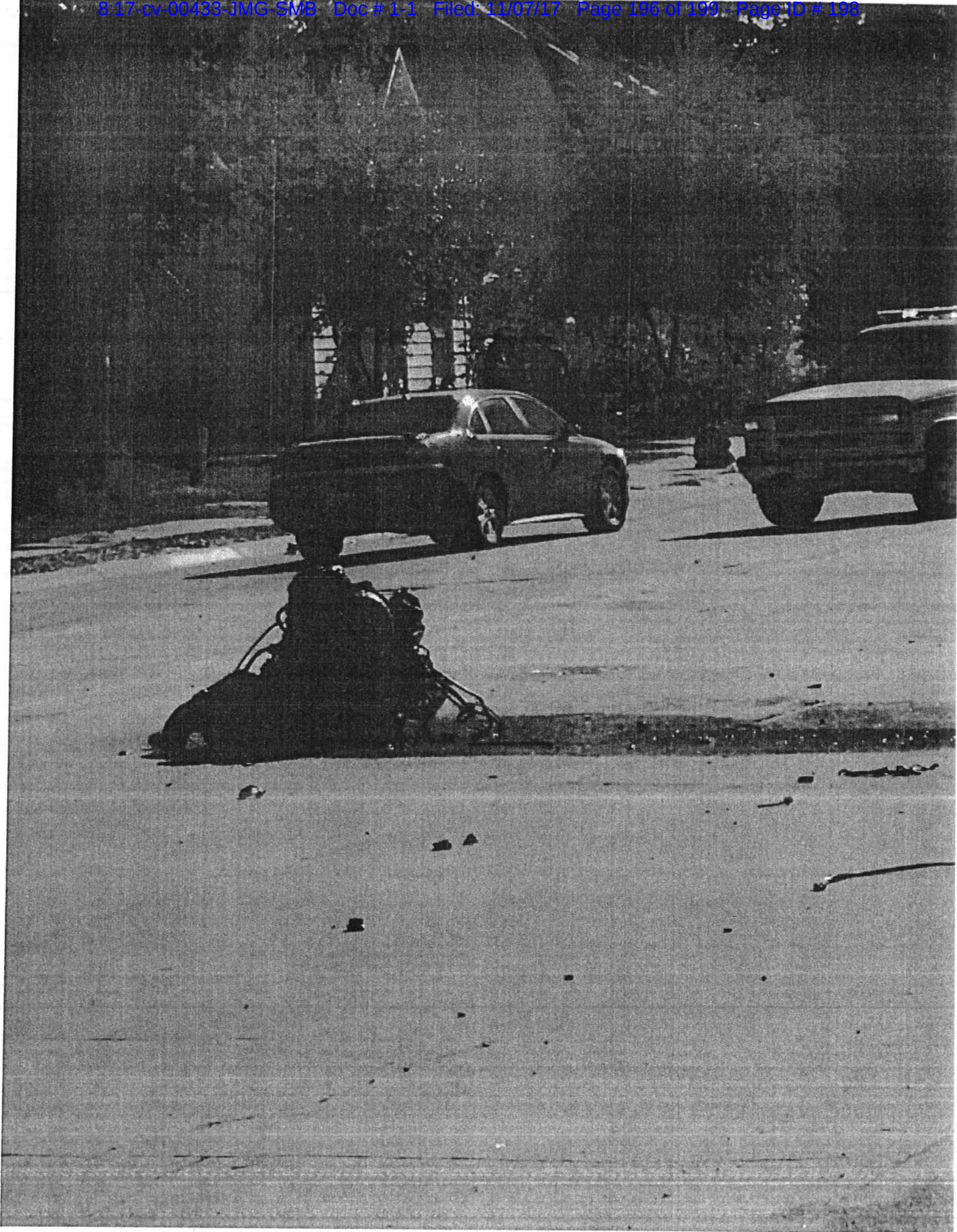
















Copenhagen MINT
LONG CUT AND POUCH



WARNING: Smokeless
tobacco is addictive.

PLUS TAX

\$
2.95

